

**University of Alberta**

**TRANSFERRING THE FAMILY FARM BUSINESS:  
MEANINGS OF AND CRITICAL FACTORS FOR SUCCESS**

**By**

**NANCY ANN SOUTH**



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fulfillment of the requirements for the degree of Master of Science**

**in**

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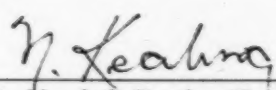
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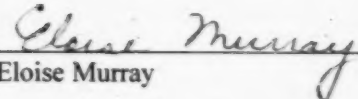
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**Faculty of Graduate Studies and Research**

The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies and Research for acceptance, a thesis entitled TRANSFERRING THE FAMILY FARM BUSINESS: MEANINGS OF AND CRITICAL FACTORS FOR SUCCESS submitted by NANCY ANN SOUTH in partial fulfillment of the requirements for the degree of MASTER OF SCIENCE in Family Studies.

  
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## **DEDICATION**

**For Sarah Elizabeth Rogers South who gave me the gifts  
of love and a child's warm memories of life on a farm.**



## ABSTRACT

Research has identified the issues that frequently plague the transfer of family farm businesses. However, few studies have considered farm transfers using a success paradigm. The purpose of this study was to understand the experiences of families who say they have transferred their farms successfully.

A qualitative inquiry employed twelve face-to-face interviews to unearth the meaning of success, and the factors considered most critical for achieving successful transfers. Respondents defined success in terms of three desired outcomes: a skilled younger generation, a viable farm business, and amicable family relationships. These outcomes were achieved through three themes: 'Giving Roots and Giving Wings' to establish successors and siblings in their chosen careers and facilitate parents' retirement; 'Getting Along' by overcoming tensions and promoting effective interactions; and 'Handling Financial Issues' related to the transfer. Suggestions for how these findings might inform others in negotiating their farm transfers with greater ease are provided.

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The most valuable lessons that I have learned in graduate school have not come from any book or course that I have studied. Rather, they have come from the relationships and experiences that I have met along the way. Many people shared the joys, frustrations, laughter, and tears that resulted in the completion of this thesis.

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Nancy Ann South

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## CHAPTER ONE

### Introduction

*We're the fourth generation on this farm. My great-grandfather bought this land and settled here, and then he had three sons and two daughters. They all started farming within the area. Then my grandfather took over the farm here and built it up. My Mom and my Dad took over later on. Then we decided, "Why don't we move out here for one year, and just try it and see how it goes?" So we stayed a year, and decided to continue on.* Successor Daughter,  
The Successful Farm Transfer Project.

### **Justification of the Research Problem**

When the Canadian prairies were being settled nearly a century ago, the first pioneers arrived to gain their livelihood working the soil of what is now the Province of Alberta. The government of the day issued 40,000 homestead grants between 1901 and 1905 (Alberta Agriculture, Food and Rural Development, 1993). In exchange for clearing the land, these early homesteaders were given lifetime title to their land, with the right to pass it on through inheritance (Alberta Agriculture, Food and Rural Development, 1993).

Since those formative years, agriculture has become a substantial industry in Alberta. It is also an industry that has been marked by change, the ebb and flow of which has held important consequences for the lives of the people who call themselves farmers.

The industrialization of North American society, together with an increased demand for food during World War I, encouraged an upswing in agricultural activities in the early 1900s (Alberta Agriculture, Food and Rural Development, 1993; Lenski & Lenski, 1987).

Prosperity, however, was not lasting. Economic and environmental difficulties have been recurring themes in agriculture that have threatened the survival of many Canadian family farm operations over the years (Heffernan & Heffernan, 1986). One of the most noteworthy of these threats emerged during the years of the Great Depression and severe drought of the 1930s (Alberta Agriculture, Food and Rural Development, 1993; Bennett & Kohl, 1982).

Good times prevailed again during a favourable economic climate in the 1960s and 1970s. Brooks, Stucker, and Bailey (1986) describe the great push for a "new debt-intensive capital structure" (p.391) that occurred in agriculture over these two decades. During this time economists encouraged farmers to expand their land bases with the promise that an increase in output would be accompanied by a corresponding decrease in the cost of production. With a vision of increased income, but with insufficient capital to buy more land, many farmers borrowed large sums of money to make the necessary expansions.

What many of these economists and farmers failed to realize is that, while farm expansion does have the potential for multiplying income-earning ability, it also contributes to increased risk (Brooks, Stucker, & Bailey, 1986). Thus, few contemplated the potential for disaster that loomed just around the corner.

With a changing economic climate globally, the late 1970s and early 1980s witnessed shrinking international markets for agricultural commodities, economic policies aimed at slowing the acceleration of inflation, lending policies that led to rapidly escalating interest rates, a notable depreciation in land values, prices for farm products that failed to meet

production costs, and a marked decrease in farm incomes (Brooks, Stucker, & Bailey, 1986; Murdock & Leistritz, 1988; Rosenblatt, 1990). These events culminated in more farm foreclosures than at any time since the Great Depression (Murdock & Leistritz, 1988), and "drove thousands of families off the farm who did not want to leave" (Rosenblatt, 1990, p.4).

Recent years have also witnessed continued advances in technology and an increased mechanization of agriculture that have prompted dramatic reductions in the labour requirements of farm operations in the industrialized world (Lenski & Lenski, 1987). As a result, people who might otherwise be needed to work on farms must now pursue other kinds of economic activities.

Clearly, the agricultural industry has presented many challenges and changes to the people who live and work in family farm operations. Many families have successfully negotiated the obstacles they have encountered over time, and have passed their farms to the next generation. Others have succumbed to the hardships they have faced, and have been forced off the land.

In response to these changes, Canadians have witnessed a steady decrease in the number of farm operations across the country (Statistics Canada, 1992). While not as pronounced as the national average, this trend also has occurred in Alberta. For example, between 1976 and 1991 the number of census farms in Canada declined by 17.3 percent and in Alberta by 6.4 percent (Pekalski, 1993).

If one were to focus solely on the continual decline in the number of farms, he or she might easily conclude that the family farm is a vanishing and, thus, insignificant entity.

However, despite diminishing numbers, agriculture today is big business. Farm size and the capital investment required to sustain a farm operation have increased substantially over time (Alberta Agriculture, Food and Rural Development, 1993). The agricultural industry also continues to play a significant role in both national and provincial economies. In 1991, for example, the value of Canada's farm capital exceeded \$131.2 billion (Statistics Canada, 1992). Moreover, the 57,000 family farm businesses in Alberta, and the processing and service industries that exist alongside them, comprise the province's second most important area of economic activity (Alberta Agriculture, Food and Rural Development, 1993).

Given the changes that have occurred within the agricultural industry, entry into farming by younger generations has become increasingly difficult, particularly because of the high costs involved in starting and maintaining a viable farm business (Symes 1990). Today, very few farm operations can begin without the support of a retiring generation. Thus, the role of the family has become more, rather than less, influential in the agricultural industry (Symes & Marsden, 1983). The soundness of agriculture, and the overall economic well-being and stability of Canada and Alberta, depend heavily upon the successful transfer of the family farm.

Given its importance, it is not surprising that passing the family farm from one generation to the next is the most contentious of issues that the members of many farm families face. Dubbed "the other farm crisis" (Jonovic & Messick, 1991), previous studies emphasize the stress and discord that accompany the changes families encounter when negotiating the transfer process (Hastings, 1984; Rosenblatt & Anderson, 1981;

Russell, Griffin, Scott Flinchbaugh, Martin, & Atilano, 1985). Nonetheless, as suggested by the words of the farm woman quoted above, many family farms have enjoyed a rich and successful history of survival that spans a number of generations. Yet, the question of success in the context of family farm transfers has long been neglected in the research literature.

At a time when agriculture was beginning to flourish, Ashby (1925) observed that "the most important of the living things on the farm, the farmers and their families, the workers and their families, and the conditions of economic and human success for them have never been studied" (p. 16). More than 70 years later, little regard has been given to the question of how success is achieved in the transfer of family farm operations. For example, in a recent comprehensive text on farm businesses (Gasson & Errington, 1993), only one page out of 267 was devoted to the topic of successful succession. A thorough understanding of the farm transfer process requires that researchers shift their attention from questions of failure, to questions of how some families successfully pass their family farm businesses from one generation to the next.

#### **Purpose and Objectives of the Study**

The intent of this research was to provide an increased understanding of the experiences of those who say they are currently involved in, or have completed, successful farm transfers. This study is consistent with Ashby's earlier call for research that considers the conditions for economic and human success of those who live and work on a family farm. Specifically, this study was conducted to: 1) describe what the term "successful transfer" means to the members of families who believe they are successful in

negotiating the farm transfer process; and, 2) identify and describe the processes and factors that helped these families to manage their farm transfers effectively.

Examining the meaning of success for farm family members, as opposed to a discourse that only laments the centrality of disorder and crisis, can serve as a basis for understanding the rich culture, values, and beliefs associated with farm transfer. It can enrich understandings of the expectations that farm families encounter in relation to the transfer process, and their abilities to control and take responsibility for the outcome of their farm transfers. Taken together, these meanings can also serve as an important lens for understanding the human and operational processes related to farm transfer that can constrain or enhance family members' efforts to enjoy success in both their personal and occupational pursuits and that, subsequently, can constrain or enhance the overall viability of the agricultural industry.

#### **Statement of the Research Question**

Given that previous research has paid little heed to the experiences of families who successfully negotiate the transfer of their farm operations from one generation to the next, the specific research question that guided this study was:

**What are retiring and successor family members' perceptions  
of how they successfully transfer their Alberta family farm  
businesses from one generation to the next?**

#### **My Interest in the Successful Farm Transfer Project**

In May of 1994, I was invited to participate as a key researcher in a study that was to be conducted as a collaborative effort between Alberta Agriculture, Food and Rural



Development and the University of Alberta. The Successful Farm Transfer project was initiated through the efforts of a farm manager who was, and continues to be, highly involved in advancing knowledge that will benefit both the people who call themselves farmers, and the agricultural industry that is largely shaped by their efforts.

My personal experiences in agriculture are limited to the fond memories I have of being a young child growing up on my grandparents' farm in rural Ontario during the 1960s. For me, farming has always meant waking up in a stately old home; feeling the warmth of a fire in the wood stove on which Gran cooked oatmeal, tomato soup, corn on the cob, pan-fried potatoes, and pumpkin pie (my favourites); helping to gather eggs from the straw nests in a tiny 'chicken coop'; riding way up high on a pile of hay that was gathered on to a wagon being pulled by two working horses that my grandfather guided in circles around the field; jumping off of the hay mow in to the pile of hay that was waiting to be unloaded; watching my grandfather milk the cows by hand; waiting for the man who would leave behind a huge block of cheddar cheese wrapped in brown paper when he came to collect the filled metal cans; hiding among corn stalks that were taller than me as my grandmother worked in a vegetable garden that seemed the size of a football field; and spending many evenings watching Lawrence Welk, Ed Sullivan, and Don Messer's Jubilee on our tiny black and white television while my grandfather talked back in the belief that, if he could hear them, they could hear him as well.

Needless to say, when my work on the Successful Farm Transfer project began my knowledge about the highly sophisticated farm operations that exist in Alberta today was very limited. My interest in farm families, and the process of farm transfer, did not

emerge from a desire to understand the day-to-day art of running a farm business. Instead, as a 'natural sociologist' I have always been intrigued by the relationships that exist among people who define themselves as family. Family relationships can be our greatest sources of joy and fulfillment and, in paradox, can also be our greatest sources of pain and suffering. It is because of this awareness that I have long held an interest in understanding why the spouses, parents, and siblings in some families thrive and prosper in a given situation while others are riddled by disharmony and destruction.

Through my interest in family relationships, I was introduced to the complex experiences of families who have transferred their family farms from one generation to the next. Most of what I read referred to the "crisis" of farm transfer. As my studies in this area evolved, I began to question the ways that researchers and professionals might better inform the members of farm families to help them more effectively negotiate this important transition.

This questioning was the impetus for my desire to take part in a study that would provide a contrast to existing research that emphasizes the turmoil families encounter in passing their farms from one generation to the next. Over the two years that it was conducted, the Successful Farm Transfer project provided me the opportunity to work with professionals well-versed in farm business management, and to explore the meanings and experiences of those families who say they are enjoying successful transfers.

### **Organization of the Thesis**

The remainder of the thesis is organized as follows. Chapter two provides a review of the literature that is relevant in clarifying the research question. First, the terms family



farm business, farm transfer, and successful farm transfer are delineated. The research question is further informed through a consideration of the key factors that are believed to favour the attainment of success within the context of a family farm transfer. Chapter three describes the design and implementation of the research methods employed in this study. Chapter four outlines the research findings. Finally, Chapter five integrates the research findings to inform others how they might better understand family farm transfers, and the factors that may influence a family's ability to achieve success in passing their family farm business from one generation to the next.

## CHAPTER TWO

### Literature Review

#### Introduction

A paucity of research has considered transfers within family farm businesses using a success paradigm. Relevant transfer research that has been conducted encompasses a number of disciplines including agricultural economics, anthropology, business, family studies, organizational behaviour, and rural sociology. The purpose of this chapter is to outline the current literature from these disciplines to provide a framework for addressing the research question.

The literature review is organized into four sections. The first section provides a definition of family farm businesses in terms of two interdependent components: the farm business and the farm family. Next, 'What is a Family Farm Transfer?' describes the intergenerational transfer of a family farm business as a multistage process of change and continuity that encompasses three unique but related concepts: succession, retirement, and inheritance. The focus of section three is the concept of success, and how it can be understood in the context of family farm transfers. The literature review concludes with a consideration of the key factors that are believed to favour the attainment of successful family farm transfers.

#### What is a Family Farm Business?

Family businesses, and family farm businesses, typically are viewed as unique and highly complex entities that consist of two separate, but interdependent, components (Bennett & Kohl, 1982; Gibb Dyer, 1986; Jaffe, 1991). One component, the farm

enterprise, is an economic and task oriented element that is marked by the production and marketing of commodities (Gasson, Crow, Errington, Hutson, Marsden, & Winter, 1988). In Alberta, these commodities primarily encompass grain, livestock, poultry, and dairy products (Alberta Agriculture, 1992). The second component of family farm businesses, the farm family, is a social and sentient element which is made up of older generation parents and younger generation children (Gasson et al., 1988; Gasson and Errington, 1993; Jaffe, 1991).

It is in the overlap between business and family components that the complexities of farm transfers get played out. The work and management of the farm business are interwoven with the roles and interpersonal relationships of the family (Errington & Gasson, 1994; Rosenblatt & Anderson, 1981; Whiteside, 1993). Family members provide the labour and management of the business (Errington & Gasson, 1994; Symes, 1990). At the same time, they play expressive roles as parents, spouses, sons, and daughters in the family (Bennett & Kohl, 1982; Errington & Gasson, 1994). As such, they occupy both complementary and contrasting positions.

Members of the parent generation are fathers, mothers, husbands, and wives, who also act as employers, bosses, or supervisors that own, manage, provide labour, and eventually withdraw from the farm business (Bennett & Kohl, 1982; Errington & Gasson, 1994; Keating & Munro, 1991). Through their business and family roles, parents socialize and train children to farming as an occupation, choose successors, and play prominent parts in initiating and implementing the transfer (Gasson et al., 1988; Gasson & Errington, 1993; Hastings, 1984; Keating & Little, 1991).

Children also occupy dual business and family roles that are related to farm transfers. Bennett and Kohl (1982) explain that, as successors, members of the younger generation are prospective purchasers of the farm enterprise. They not only share a family history with their parents, they also share an economic destiny with the retiring generation (Whiteside, 1993):

Clearly, business and family represent two of the most central realms of the farm transfer process. However, research traditionally has emphasized the business domain and neglected the family component when considering farm transfers.

The emphasis on business is perhaps a result of a prevalent assumption in farm management studies that successful transfers are a function of the profitability or viability of the farm enterprise. Profitability refers to "the ability to generate returns...to meet current and future financial obligations or growth" (Fox, Bergen, & Dickson, 1994, p. 235). According to this perspective a business that is financially above average as compared to competitors of the same size and type prior to the initiation of the transfer process, is more likely to be transferred successfully (Cunningham & Ho, 1994; Ibrahim & Goodwin, 1986).

Family farm businesses are deemed successful, and thus capable of producing successful transfers, by virtue of a number of financial indicators and characteristics that emphasize the maximization of profit. These indicators and characteristics include the rate of return on the sale of commodities; gross farm income; net worth based on the real value of business assets such as land, buildings, and equipment; age longevity of the business; capability of the business to respond to fluctuations in the economic

environment; and ability to adopt new technologies and increase production (Ballantine, Cleveland, & Koeller, 1992; Fox, Bergen, & Dickson, 1994; Ibrahim & Goodwin, 1986; O'Neill & Duker, 1986).

Others argue that, while economic factors play a very important part in family farm operations, they are strictly instruments of production. Moreover, the identification of profitability factors may be of little value because technical and financial conditions and requirements of farm management are constantly changing (Fox, Bergen, & Dickson, 1994). Thus, they may not be as critical to farm business transfers as once believed.

A contrasting perspective maintains that, fundamentally, it is the human factor that determines success in farming (Westermarck, 1951). People create and sustain farm businesses, not the reverse, and it is chiefly against the background of the family situation as a whole that economic factors of the business assume significance (Jaffe, 1991). Westermarck (1951) further explains that "it is the farm operator who, with varying success, coordinates the means of production. When all is said and done, it is his personal influence that is decisive to the economic results" (p. 124).

More recent research supports the pivotal role of the family component in the farm transfer process. For example, existing studies suggest that the nature of family relationships largely determine the extent to which transfers are considered stressful (Jonovic & Messick, 1991; Keating & Munro, 1991; Russell et al., 1985; Weigel & Weigel, 1990). Ward (1995/96) also emphasizes the importance of understanding the family component in farm transfer studies. He notes that "if the family falters during the transfer process, the business will falter" (p. 44). In other words, if there is no farm

family there can be no family farm to transfer. In contrast, when the family is strong and healthy, farm transfers are transitions that provide opportunities for regeneration and growth for both the business and the individuals involved (Jaffe, 1991; Ward, 1995/96).

If research is to be of value to an organization or group, it must account for important variations in the structure and functioning of that organization or group within a given context (Scott, 1981). Research about successful farm transfers is scant, and studies that consider family members' perspectives about the business *and* family components in the transfer of their farms is virtually non-existent. In an effort to account for variations in understanding, this study was not designed or conducted on the assumption that one component of a family farm business is more critical to successful transfers than is the other. Rather, the framework of business *and* family components was used to help inform my understanding of respondents' perceptions of success, and what they believed was important to achieving success in transferring their family farm businesses.

#### **What is a Family Farm Transfer?**

The transfer of a family business is a process that encompasses change (Alcorn, 1982; Cunningham & Ho, 1994). Change occurs in many forms in the context of a family business transfer. For example, previous research has identified changes in family members' roles and responsibilities, hierarchical relationships, management styles, and resources (Anderson & Rosenblatt, 1985; Alcorn, 1982; Jaffe, 1991; Rosenblatt & Anderson, 1981; Russell, et al., 1985). Continuity is also a characteristic of family business transfers (Jaffe, 1991). Continuity in farming is concerned with the expectation that the farm business should be handed down within the same family (Gasson &



Errington, 1993; Symes & Marsden, 1983). There are two key concerns with continuity in the transfer of family farm businesses. The first is with keeping the family's name on the farm land (Potter & Lobley, 1992). The second concern is with keeping the occupation of farming within the family (Hutson, 1987; Symes & Marsden, 1983). The transfer of a family farm is said to be a more positive experience when the retiring generation places a high value on continuity (Potter & Lobley, 1992).

The notions of change and continuity are commonly discussed in the farm transfer literature in terms of three processes: retirement, succession, and inheritance. Many people use these terms interchangeably when speaking of the transfer of a family farm business. However, according to leading farm transfer research they do not mean the same thing (Gasson & Errington, 1993). Rather, they are related, but conceptually distinct, processes that together comprise what some researchers refer to as the "transmission" of the family farm (Errington & Gasson, 1994, p. 186).

Farm retirement refers to the exit of a current farm operator from active involvement in both the manual work and management of the farm business; succession entails the process by which the managerial control of the business passes from one generation to the next within the same farm family; and inheritance denotes the intergenerational and legal transfer of ownership of the farm business assets, including land, buildings, and equipment (Errington & Tranter, 1991; Symes, 1990).

The distinction between the processes of retirement and succession is a particularly important one. Although the two concepts are related, Gasson and Errington (1993) maintain that they should not be understood as interchangeable aspects of the same



phenomenon. Rather, for a new generation to assume managerial control, a previous generation must withdraw from involvement in the farm business. In this sense, farm succession is not seen as an event that occurs at a single point in time (Gasson & Errington, 1993). Instead, the transfer of farm management responsibilities is understood as a process that is initiated by the outgoing generation, and which occurs over time as older farmers gradually relinquish their positions as farm managers. In turn, the period during which the younger generation assumes managerial control of a farm business is understood as a function of the exit behaviours of the older generation (Keating & Munro, 1991; Symes, 1990). Hence, retirement is taken to be the "mirror image" (Gasson & Errington, 1993, p. 183) of succession. Inheritance of a farm business by the younger generation also depends upon the retirement behaviours of older generation farmers (Keating & Munro, 1991).

The life cycles of business and family components of a family farm business offer another perspective for understanding transfers as processes of change and continuity. In a leading anthropological study of early family farm operations in Saskatchewan, for example, Bennett and Kohl (1982) identified three stages of a farm business and its founder. Others also describe common developmental stages in family firms in which family and business pass through entry, growth, and exit phases that correspond to the life stages of the older generation main operator (usually male) and a successor (usually a son) (Boehlje, 1973; Keating & Munro, 1989).

According to stage models of farm transfer, the changes associated with retirement, succession, and inheritance happen gradually, moving from a stage in which the successor

provides manual labour only, while the parent maintains complete management of the business, to training successors through sharing of some routine managerial tasks, to developing partnerships between the retiring generation and successor, and finally to transferring full control of all equipment and some managerial decision-making, but not necessarily full financial management or ownership of land (Cunningham & Ho, 1994; Errington, 1993/94; Keating & Munro, 1991; Symes, 1990).

Small business, organizational behaviour, and family scholars supplement this understanding of transfers as processes in which specific issues and complexities arise within each stage (Adizes, 1992; Dodge & Robbins, 1992; Gibb Dyer, 1986; Rosenblatt, de Mik, Anderson, & Johnson, 1985). It is these issues and complexities that perhaps influence the outcome of a farm transfer.

Adizes (1992) argues that organizations are like living organisms that have life cycles in which they are born, mature, age, and eventually die. Each developmental stage is marked by certain challenges and, throughout the history of a family enterprise, the issues that require action by family members at one stage are qualitatively different than issues that require action at another stage. As so eloquently stated by Rosenblatt et al. (1985), "to say 'I have had this business for thirty years' is not to say, 'I have been doing the same things at the same place.' Typically those thirty years required many changes and much new learning" (p. 278).

The important point of such findings is that the most salient issues in family enterprises vary as both business and family move from infancy to more mature forms. As a result, the members of family farms require different skills as they move through

their own life cycles, as well as that of the business. Bennett and Kohl (1982) found that, in the early phase of establishing themselves in a farm enterprise, the concern of new farmers is primarily with securing sufficient capital and developing effective production and marketing strategies. It is typically during this stage that the farm family is also in its formative years, with marriage of the founder and subsequent birth of children taking place (Bennett & Kohl, 1982; Rosenblatt et al., 1985). With these more immediate demands requiring their attention, and potential successors still of very young age, family members often view transfer issues as something to be concerned about in the distant future (Gibb Dyer, 1986).

A second stage of growth and development of the business follows the formative years (Bennett & Kohl, 1982; Gibb Dyer, 1986). During this time farm operators encounter a different set of challenges that emphasize the maximization of profit. To remain competitive within ever changing business and agricultural environments, investments are made to upgrade machinery and buildings, and more land often is purchased to expand the farm operation (Bennett & Kohl, 1982).

During the middle years, the priorities of senior farmers are with continuity. They begin to focus on passing on their own values and beliefs about running the business, and preparing their potential successors for future leadership roles (Gibb Dyer, 1986). Thus, children begin to work on the farm (Bennett & Kohl, 1982), and older generation founders may begin to delegate responsibilities and share power with them (Gibb Dyer, 1986). As they reach adulthood, some members of the younger generation leave to pursue other occupations, while others continue working on the family farm (Bennett & Kohl, 1982).

In the final years of the second stage, most successors marry and begin families, thereby transforming the original farm operation into a multiple household enterprise (Bennett & Kohl, 1982). At the same time, concerns about the retirement of the older generation, estate planning, and the distribution of ownership and wealth also begin to emerge in planning for the transfer (Gibb Dyer, 1986). However, as Gibb Dyer (1986) notes "most founders are not equipped to handle this diverse set of problems" (p. 4), which often results in the disintegration of many family firms.

The retirement of older farmers and corresponding transfer to the successor generation take place in the final stage of family and enterprise life cycles (Bennett & Kohl, 1982; Gibb Dyer, 1986). This stage is marked by a different set of issues. Concerns over ownership and equity prevail, and as they attempt to manage the diverse and often competing interests of retiring and successor family members, many families experience conflict that is detrimental to both the business and family relationships (Gibb Dyer, 1986).

In unveiling the intricate network of processes and aspects that families encounter when transferring their family farm businesses, the literature promotes a contextual approach to research. Correspondingly, considerations of the meaning of success and the factors that influence success cannot be separated from the total farm transfer context. For example, family members who are just beginning a transfer may view success very differently than those who have already completed a transfer. If one were to ignore the rich contextual nature of farm transfers, such differences would be difficult to comprehend.

The focus of much previous farm transfer research has been largely with the processes of succession, inheritance, and retirement, as well as with the aspects of change and continuity that coincide with the developmental stages of the family and business components. Such understandings of existing studies and the limitations of current knowledge are important in defining the context of the various topics broached by respondents. In turn, comparisons of respondents' stories can be made with the findings of previous studies to identify where further information is required to secure a better understanding of how families define and achieve success in transferring their farm businesses from one generation to the next.

#### **What is a Successful Family Farm Transfer?**

Despite the importance of agriculture in national and provincial economies, there has been little research about the meaning of success within the context of farm business transfers. A rudimentary definition proposes that the concept of success is concerned with the achievement of "a favourable or satisfactory outcome or result" (Neufeldt, 1996, p. 1337). While a useful starting point, this definition also leads to the question, "What is a satisfactory outcome?"

Organizational and family business scholars define success in terms of the objectives, vision, or "mental model" that the family wishes to achieve in carrying out the transfer (Friesen & Johnson, 1995, p. 5; Jaffe, 1991; Ward & Sorenson, 1987). A successful outcome represents the fulfillment or accomplishment of these objectives, visions, or mental models. Correspondingly, to be unsuccessful means that the outcome is

something other than what was aspired to or intended by the people involved (Friesen & Johnson, 1995).

Emerging business and organizational behaviour research also suggests that the outcomes of family business transfers may be defined in terms of the cultures of the business and family components (Gibb Dyer, 1986; Jaffe, 1991). The culture of a family business encompasses the history and sense of identity that family members share (Jaffe, 1991), and is shaped by a family's values which seldom change over time (Gasson & Errington, 1993). However, it is not clear whether a farm family's shared history, sense of identity, and values are related to the successful fulfillment of their transfer objectives.

The objectives involved in the transfer of a family farm business primarily are understood in the research literature according to two general categories. The first category includes the instrumental objectives that the family has for the business. The second category consists of the personal and social objectives that family members have for themselves (Gasson, 1973; Gibb Dyer, 1986).

Objectives for the business component typically focus on ensuring profitability through maximizing income, avoiding losses, and increasing net worth; and growth through innovation in new products and techniques (Cunningham & Ho, 1994; Gibb Dyer, 1986). A successful transfer, according to this perspective, is synonymous with a successful business.

A contrasting perspective posits that success is defined through the fulfillment of the needs, aspirations and assumptions of each member of the family (Gibb Dyer, 1986).

The personal and social objectives of the family often include the attainment of specific



skills, the effective resolution of problems that are encountered in the process of transferring the farm, and the development and maintenance of satisfactory family relationships (Gasson, 1973; Gibb Dyer, 1986).

Despite the importance of the shared and differing objectives of family members, most farm research emphasizes those of the retiring generation male who is commonly referred to as "the farmer" (Gasson & Errington, 1993, p. 107). Some findings suggest that the principal objective of the older farm manager in transferring the family farm is to relinquish managerial control of the business without jeopardizing family relationships or the survival and prosperity of the business (Errington, 1993/94). According to this perspective, then, the objectives of the farmer emphasize both the business and family components.

Others argue that a farmer's objectives in transferring the family farm depend upon the farmer's general orientation toward farming. Salamon (1992) suggests that some farmers adhere to "yeoman" objectives that tailor the activities of the transfer toward the family component (p. 41). In contrast, other farmers follow "entrepreneurial" objectives that emphasize the business component (Salamon, 1992, p. 141).

The emphasis on older farm managers in the research literature has contributed to a lack of knowledge about the individual and shared objectives that family members aspire to in transferring their farm businesses. While some studies assume that the potential for success is enhanced when family members direct their energy and resources toward fulfillment of the same objectives (Bennett & Kohl, 1982), other research indicates that family farm businesses also are governed by the unique and often competing objectives of



different family members (Romero & Rehman, 1984). Hence, one cannot assume that the objectives of the older generation male constitute the authentic and exclusive definition of a successful farm transfer.

Knowledge about the objectives, or what a successful transfer means, is central to a constructive understanding of farm transfers. Information about how to achieve success in transferring a family farm business is of little value to families if they do not know what it is they are attempting to attain in the first place. The scholarly literature reveals that knowledge about family objectives for success in farm transfers is almost nonexistent and contradictory at best. Therefore, it is important to conduct research that addresses the perspectives of families that say they are successful in passing their farms from one generation to the next.

#### **What Leads to a Successful Family Farm Transfer?**

The investigation of success factors in the transfer of family farm businesses has been largely neglected. Instead, the transfer of a family business typically is viewed as an inherently problematic transition that is marked by inevitable crises, disharmony, uncertainty, and extreme stress (Cunningham & Ho, 1994; Symes, 1990; Walker & Walker, 1990). The principal assumption of such studies is that family business transfers culminate in crisis situations because family members are not prepared for the innovative changes and troublesome consequences that often emerge as the transfer progresses (Gibb Dyer, 1986).

The inability to manage change effectively is thought to result from a myriad of conditions. A lack of planning, ambiguities about when the transfer will occur,

insufficient training of successors, reluctance of the older generation to retire, ensuring economic security for both generations, and lack of unity in family relationships are among the most frequently cited sources of contention in family business and family farm transfers (Bennett & Kohl, 1982; Coughenour & Kowalski, 1977; Cunningham & Ho, 1994; Errington, 1993/94; Hastings, 1984; Hedlund & Berkowitz, 1979; Jonovic & Messick, 1991; Keating & Little, 1991; Magrath, 1988; Rosenblatt & Anderson, 1981; Russell, et al., 1985; Symes, 1990; Weigel, Weigel, & Blundall, 1987).

Conversely, it could be argued that successful transfers emerge when changes related to the transfer are managed effectively. Business theories suggest that the effective management of change is accomplished when a number of "critical success factors" are identified and developed in the context of an organization's shared vision and objectives for success (Friesen & Johnson, 1995, p. 43).

Critical factors for success encompass the specific actions, behaviours, or things that must be done for an organization to fulfill its goals and objectives (Bennett & Kohl, 1982; Friesen & Johnson, 1995; Gasson & Errington, 1993). In the context of farm transfers, critical success factors can be understood as the most important means by which a farm family achieves its vision of a successful transfer, whatever that vision might be.

An important point of critical success factors is that two similar organizations that are involved in the same industry can approach a given situation using very different approaches (Friesen & Johnson, 1995). In other words, one family that desires success in transferring its' family farm may have a different set of critical success factors than another family. Moreover, Bennett and Kohl (1982) note that farm families continually

change and adjust their goals in response to changes within the business and family components of the family farm business, as well as in the economic and political environments in which farm commodities are marketed.

Existing studies have not identified the factors that farm families perceive as being critical to the achievement of success in passing their farms from one generation to the next. However, in responding to crisis models some researchers have implied that four categories of business and family factors are fundamental to the successful negotiation of family farm transfers. These categories include planning for change, training successors, sharing responsibility between parents and successors, and managing family relationships.

Each of these categories has been cited in the research literature as *the* most important factor to ensure that a family farm is transferred successfully. However, little is known about which factors farm families perceive to be most critical when passing their farms from one generation to the next. Such a distinction could help to inform other families in determining where and how to focus their efforts in a manner that is highly responsive to their wants and needs.

#### **Planning for Change**

Researchers and family business professionals have argued consistently that careful planning is required if families are to avoid the tensions commonly associated with the intergenerational transfer of a family business. An effective plan is one which serves as a blueprint to guide family members through the transfer transition systematically. It is assumed that, to be effective, plans should be in writing, have clearly specified goals and a schedule for the transfer, and address the needs of both generations early in the transfer

process (Cone, 1987; Magrath, 1988; Nelton, 1987; Symes, 1990; Whiteside, 1993).

Two categories of planning are addressed in the farm transfer literature: business planning and family planning.

Business planning focuses on managing the processes of retirement, succession, and inheritance, and primarily involves two main decisions: when parents will retire and successors will assume control of the business, and when and how the assets of the business will be distributed.

Farm transfer is a lengthy process that may take up to 20 years to complete (Keating & Little, 1991; Keating & Munro, 1989). A key assumption of existing scholarship is that a formal business plan will ensure that the transfer happens at the right time (Gasson & Errington, 1993). The planned and gradual transfer of managerial responsibilities over an extended period of time is believed to provide the successor adequate opportunity to develop sound farm management skills through practice and experience (Cone, 1987; Errington, 1993/94). The smooth transition of ownership and managerial control also requires personal financial planning to ensure that the older generation has adequate retirement income without undermining the viability of the farm business or family relationships (Errington & Gasson, 1994; Walsh, 1994).

Treating successors and non-farming children fairly is among the most challenging of issues that farm families face in planning their farm transfers (Country Guide, 1995b). Inheritance or estate planning, including preparation of wills, powers of attorney, and trust agreements, are thought to be prerequisites for ensuring that successors inherit a viable business without incurring unmanageable debt to pay out non-farming siblings, and

to ensure the lowest tax liabilities as possible (Szabo, 1993; Ward, 1995/96). Typical strategies used to treat non-farming children fairly include purchasing homes, paying for education, or using the proceeds from life insurance policies and other estate assets (Country Guide, 1995b; Gasson & Errington, 1993).

Ward (1995/96) notes that effective business plans do not guarantee a successful family business transfer. Personal plans can become deeply entangled with the needs of a family business (Whiteside, 1993). Some business studies advocate an effective family plan as a precursor to the successful passing on of a family business. However, family plans are not emphasized in the family farm literature as a factor that contributes to success in the transfer of farm businesses.

Family plans are concerned with the family's vision for itself in the future (Cone, 1987; Ward, 1995/96). As part of managing change related to the transfer effectively, families must understand the most important issues facing them, have a strong sense of purpose and an understanding of the ways that family members' needs impact on and are impacted by the transfer, and plan strategies to deal with these matters (Cone, 1987).

Despite the benefits associated with clearly defined business and family plans, studies show that family business transfers rarely are planned in advance. Those that do exist tend not to look very far in to the future, and seldom are implemented as intended (Magrath, 1988; Rosenblatt, et al., 1985; Szabo, 1993; Ward, 1995/96). There also is evidence that professional legal and financial advisors can provide critical information that will significantly enhance the strategic content and process of family business transfers (O'Neill & Duker, 1986). Yet few families ever consult with such professionals.

Similarly, professionals such as accountants and lawyers who advise families on the day-to-day management of their businesses rarely initiate discussions about transfer planning because they feel awkward raising potentially turbulent issues with clients (Ward, 1995/96).

Although planning for change is advocated by many professionals, presumably as a means to minimize potentially turbulent issues associated with the transfer process, it is not clear from the research literature whether such plans are actually necessary to the achievement of a successful farm transfer, or whether farm families actually use their written plan when one has been developed. If one assumes that most families want their transfers to be successful, why don't they plan for such an important transition? If planning is so critical, yet few families ever plan for their transfers, how have so many farms managed to pass through several generations within the same family? Why do some families plan for their farm transfers, while most do not plan? Research that emphasizes families' perspectives is required to better understand the role of business and family plans in transferring a family farm successfully.

### **Training Successors**

One of the most important factors that is thought to influence the extent to which a family business is successful is the education of managers (Ibrahim & Goodwin, 1986; Peterson, Kozmetsky, & Ridgway, 1983). Farm studies also suggest that successors require appropriate skills and knowledge to be effective farm managers (Hastings, 1984). An effective manager is one who is well versed in problem solving in all areas of the business, including marketing, delegating, supervising, and is also financial adept (Ibrahim



& Goodwin, 1986; Larson & Clute, 1979; Montagno, Kuratko, & Scarcella, 1986; Wichmann, 1983).

Some authors also argue that success in business is attributable to a myriad of personal characteristics of the business manager. Effective managers are described as virtual super women and men who, above possessing excellent health, also are said to be: motivated, inquisitive, innovative, organized, good planners, goal oriented, future oriented, hard workers, confident, bold, modest, encouraging, empathetic, sociable, considerate, tactful, flexible, sensitive to organizational needs, able to adapt to change, well-read, objective, and exercise good judgment (Ibrahim & Goodwin, 1986; Larson & Clute, 1979; Montagno, Kuratko, & Scarcella, 1986; Wichmann, 1983). Little is known about how successors are trained and acquire such qualities for their future roles in the family farm.

Today, formal education is perhaps the most prevalent method by which farmers acquire technical knowledge about farm practices. Over the past fifty years, agriculture has witnessed a marked increase in the number of successors who attend post-secondary institutions (Errington & Tranter, 1991). However, training is not limited to advanced education. Experts agree that the "seeds of successful succession are sown early" (Country Guide, 1995c, p. 34). The socialization and preparation of children to the farming occupation is of paramount importance, and ideally should begin at a very early age (Cone, 1987). Socialization is a process that is initiated by parents and in which children acquire their culture, together with the values and practices that coincide with that culture (Baumrind, 1996). The first 15 to 20 years of life are particularly critical in determining the values, goals, and approaches that shape children's attitudes about

farming, and their abilities to handle adversity and work through different situations (Cone, 1987; Country Guide, 1995c).

The early identification and socialization of a successor is believed to enhance farm commitment by both the young farmer and non-farming siblings (Errington, 1993/94; Salamon, Gengenbacher, & Penas, 1986). However, many parents deny that they socialize their children. Instead, they emphasize that they do not want to push children in to farm careers, but rather prefer to let potential successors decide themselves if they want to take over the farm (Gasson & Errington, 1993).

Those that do identify a successor early assist their children by acquiring animals and setting up hobby farm activities, and taking children to the fields from the time they are born (Anderson & Rosenblatt, 1985; Salamon, 1992). These types of activities: permit the development of practical skills, such as machinery operation, through repeated practice; provide the opportunity for successors to serve a long apprenticeship so that they become proficient in a range of decisions that are required on a seasonal basis; and convey to children that they have important roles and are accountable for results that will ensure the survival and success of the family business (Errington, 1993/94; Jaffe, 1991; Salamon, 1992).

Although the importance of an effective farm manager is a conspicuous theme within the general family business and farm business literature, researchers have demonstrated the importance of training successors only in relation to the extent to which the *business* is successful. What is less understood, is whether families consider the training of successors to be a factor that leads to the successful *transfer* of the business.

### **Sharing Responsibility**

Experts argue that the successful transfer of a family business requires the planned and gradual shift of managerial responsibilities from one generation to the next (Cone, 1987). An ideal transfer is one in which successors are provided the opportunity to assume full responsibility for one management area of the business at a time until, eventually, the older generation has relinquished control of all areas of the business (Gasson & Errington, 1993).

While some parents promote the involvement of successors in the management of the family farm, others discourage it (Salamon, Gengenbacher, & Penas, 1986). In addition, practical experience in the financial management of the farm business is thought to be among the most important training that a farm manager can ever acquire (Larson & Clute, 1979; Gasson & Errington, 1993); however, few successors get experience in this area prior to taking over the family farm (Hastings, 1984).

Delaying or denying successors experience in farm management is considered harmful to both business and family components because it inhibits the innovation required to keep up with changes in agriculture and, consequently, to ensure the viability of the farm, limits the ability of successors to acquire the skills and knowledge to manage the farm with confidence, and threatens family relationships by creating frustration, uncertainty, and suspicion between retiring and successor generations (Gasson & Errington, 1993; Jonovic & Messick, 1991; Rosenblatt et al., 1985; Symes, 1990).

### **Managing Family Relationships**

One of the most frequently cited factors that is said to shape the transfer of family farm businesses is the manner in which family members manage the dynamics of their relationships. The prevailing assumption is that successful transfers and continuity are achieved when harmonious relationships based on mutual trust and support exist between parents and successors (Aronoff & Ward, 1992; Handler, 1991; Salamon, Gengenbacher, & Penas, 1986). However, there is little evidence in the research literature to support this assumption.

Existing studies do provide evidence that many families experience disputes in the transfer of their farms (Barnes & Hershon, 1976; Jonovic & Messick, 1991; Ward, 1995/96). For example, Hedlund and Berkowitz (1979) reported intergenerational transfer problems in 75 percent of farm families. Perhaps it is because of statistics such as this that most farm transfer studies emphasize relationship problems, and that some books about farm transfers carry titles such as The Other Farm Crisis (Jonovic & Messick, 1991). Farm transfer studies rarely consider the ways that the quality of family relationships encourage the successful transfer of family farms.

A handful of farm family studies make reference to the ways that families can alleviate the stress related to their transfers. However, most studies about successful relationships in the context of a family business transfer come from business management and small business scholars. These researchers maintain that harmonious relationships primarily are facilitated if family members engage in open and honest communication about issues related to the transfer, such as the disposition of property, as well as in their day-to-day

interactions in business and family domains (Hedlund & Berkowitz, 1979; Rosenblatt & Anderson, 1981; Russell et al., 1985; Walker & Walker, 1990; Ward, 1995/96; Whiteside, 1993). The management of change is difficult if a lack of understanding permeates issues related to the transfer (Ward, 1995/96).

Open communication facilitates the effective management of change by emphasizing mutual respect for the needs, feelings, opinions, and ideas of all family members (Handler, 1991; Hedlund & Berkowitz, 1979). This, in turn, is thought to facilitate a shared sense of identity, common interests, knowledge about each others strengths and weaknesses, common values and a sense of purpose, and opportunities to learn together (Whiteside, 1993). An open approach to communication also encourages brainstorming by all family members in dealing with challenging situations (Cunningham & Ho, 1994). The end result is democratic decision-making and a sense of control over one's life, particularly for successors (Hedlund & Berkowitz, 1979; Russell et al., 1985). Such outcomes are assumed to be conducive to success when carrying out the farm transfer. Some authors suggest that families exercise open communication and democratic decision-making in managing their relationships by taking time to converse with family members on a regular basis, practicing active listening, and sending clear messages in their interactions with each other (Walker & Walker, 1990).

Other authors suggest that, while some families may appear to exercise open communication in their relationships, democratic decision-making within farm families is a myth. These researchers argue that decisions about the transfer process are usually made by the older generation male on behalf of other family members, and what Dad wants and



says are the family's "marching orders" (Cunningham & Ho, 1994; Ward, 1995/96, p.; 36). Hence, the appearance of democratic communication is merely a facade that is created when successors subordinate themselves to the older generation's authority and demands to be cooperative (Bennett & Kohl, 1982; Gasson & Errington, 1993; Salamon, Gengenbacher, & Penas, 1986). For example, Fennell (1981) indicates that up to 84 percent of families never discuss the transfer of their family farm businesses. The assumption is that such patterns are not indicative of harmonious relationships and, thus, not conducive to successful transfers.

Besides effective communication, a number of other qualities of family relationships are believed to lead to success in family businesses. These include common interests, knowledge about each others strengths and weaknesses, opportunities to support each other, opportunities to learn together, and a shared sense of purpose (Whiteside, 1993). A key way that family members promote these qualities in their relationships is through a strong commitment to work together as a team (Bennett & Kohl, 1982; Cunningham & Ho, 1994).

The small business literature defines the concept of a team as the coordination of activities by two or more people in order to achieve a shared goal (Shonk, 1992). A team approach is considered beneficial because it provides a "greater diversity of experience, perspectives, and knowledge" (Pacanowsky, 1995, p. 37), and also enables family members to keep up with the complexities and innovative changes that are required to remain competitive in business (Gummer, 1995).



Some scholars suggest that the success of a transfer, and continuity of a family business, depend upon the right combination of skills among a management team made up of all family members (Cunningham & Ho, 1994). Cunningham & Ho (1994) note that effective management teams operate in such a way as to place individuals into positions in which they possess the greatest aptitude. For example, team members make decisions jointly, share common resources, and rely on each others services to accomplish work (Shonk, 1992). At the same time, some family members serve as initiators and risk takers who develop new ideas, while others provide needed caution (Cunningham & Ho, 1994).

It is often assumed that teams require effective leaders; however, the necessity for leadership in family and business teams is unclear in the research literature. Some studies suggest that family teams require leadership from a manager who is able to develop and utilize the potential and trust of all family members, and solicit the opinions and ideas of others, to ensure that the transfer proceeds smoothly (Cunningham & Ho, 1994; Chintz & Weillhrich, 1990). In contrast, Remus and Edge (1991) found no evidence that business groups or teams perform better with a formal leader.

Comparable considerations of teams and team leaders in farm transfer studies have been with an older generation male farm manager who usually is perceived as conservative and authoritarian in the transfer process (Gasson & Errington, 1993), and who resists change and the relinquishment of the family business (Ward, 1995/96). Hence, strategies thought to enhance farm transfers emphasize minimizing stress by creating a distance between retiring farmers and successors through such methods as parents living off-farm and successors working off-farm to acquire sound farm management skills (Errington,

1993/94; Keating & Little, 1991; Rosenblatt & Anderson, 1981; Russell et al., 1985; Salamon, 1992; Ward, 1995/96).

Clearly, the quality of family relationships is considered critical to the experience of farm transfer. However, there has been inadequate investigation of the nature and evolution of those relationships in the context of successful farm transfers. Existing knowledge is largely based on organizational and small business management studies and is sometimes contradictory. In addition, while studies suggest that the quality of family relationships influences the success of a business, there is little evidence about the link between family relationships and successful transfers.

### **Summary**

The review of the literature indicates that a number of definitions and factors can be implied in understanding success in the transfer of family farm businesses. Previous studies have provided descriptions of the farm transfer experience which emphasize the crisis aspects of passing on the family farm. Yet none have considered what success means to the people who transfer their family farms, or what factors they believe are most relevant to achieving success.

Farm transfers are carried out by people who exist within a complex entity in which the roles and responsibilities of work and family are interwoven. Business and family factors are integrated into the farm transfer process. A variety of family and business issues may contribute to a family's experience of success in passing on their family farms. It is necessary, then, to look at the ways that family members understand and interpret these experiences. The meaning of successful farm transfers, and the factors that lead to

the attainment of success must be understood through the perceptions of farm family members themselves. In this way, theories, programs, and services can be developed which go beyond seeing farm transfers primarily as processes of disharmony and dysfunction.

## CHAPTER THREE

### Research Methods

#### Introduction

This chapter describes the design and implementation of the research methods used in this study. It begins with a discussion of the qualitative research perspective as an appropriate approach to satisfy the purpose and objectives of the research question. The chapter continues with a description of the data collection methods, and the sample selection process. A summary of the techniques used in the analysis of data follows, together with the criteria used to evaluate the quality of the research methods and findings. The chapter concludes with a consideration of the ethical issues that were addressed in conducting this study.

#### A Qualitative Inquiry Into the Transfer of Family Farm Businesses

A qualitative research design was considered most appropriate for this study because the research goals are compatible with the principle strengths of qualitative approaches. Qualitative methodologies are most appropriately employed when the purpose of research is to create new knowledge and redefine existing knowledge about a problem (Creswell, 1994). Although the topic of farm transfer is prevalent in the research literature, little attention has been given to the question of success in the context of farm transfers. Hence, this study grew from an interest to develop a more comprehensive understanding of success in the transfer of family farm businesses.

Qualitative methodologies also are appropriate when the purpose of a study is to understand how individuals make sense of the events and behaviours that take place in a

given context, and how these understandings influence their behaviour (Creswell, 1994). That is, qualitative research is "interpretive work" (Strauss & Corbin, 1994, p. 274) that encompasses the perspectives and voices of people in order to explain the fundamental patterns of individual and collective action that are common in their social lives (Chenitz & Swanson, 1986; Strauss & Corbin, 1994).

The transfer of a family farm can be understood through the many observable activities in which family members engage. For example, the development of a formal written estate plan is among the activities considered most critical to the successful transfer of a family farm business (Danco, 1982; Jonovic & Messick, 1991). There also are some aspects of business and family transitions that cannot be observed. These include the underlying stories, values, assumptions, and perspectives that are shared by a group or unique to individuals, that subsequently evolve into patterned sets of activities, behaviours, and interactions (Gibb Dyer, 1986). Very little research about what leads to successful farm transfers exists from the perspectives of family members. In electing to adopt a qualitative inquiry for this study it was possible to unearth the intricate network of values, philosophies, and understandings that come together to influence the behaviours by which farm family members carry out their farm transfers.

The selection of a qualitative research design also was a particularly appropriate choice because it strongly concurs with the family and business components framework that informed the present study. A qualitative perspective is particularly appropriate when the research question focuses on patterns of interaction among family members within the context of a given situation or phenomenon (Daly, 1992). My review of the

literature revealed that existing research emphasizes the father-son relationship to the exclusion of other family members who also are involved in and influenced by the transfer of their family farm. The qualitative approach used in this study generated rich understandings of the individual and collective behaviours that have the potential to influence the successful negotiation of farm transfers within a context in which the dynamics of family and business intersect.

In developing meaning from the daily situations described in informants' stories, qualitative methodologies also can have practical applications for educators and practitioners, and for the individuals being studied (Strauss & Corbin, 1994). This research was conducted in collaboration with Alberta Agriculture, Food and Rural Development to inform the development of educational materials and programs to assist families in successfully transferring their farms.

In summary, this study responds to the need to clarify and extend knowledge about the factors that are related to the successful negotiation of farm transfers. Furthermore, the qualitative inquiry selected for this study in many ways parallel certain qualities of the farm transfer process itself. Through exploring the multitude of meanings and subjective experiences of the respondents in this study, a qualitative inquiry respects the view of farm transfer as a transition in which the issues are complex, rather than as a simple act in which management and ownership are neatly relinquished from one generation to the next.



## **Methods**

### **Data Sources**

Qualitative researchers use a wide variety of data collection methods to study human experience (Denzin & Lincoln, 1994). Data for this study were obtained primarily through semi-structured face-to-face interviews, and through written field notes.

In-depth interviews were conducted with retiring and successor family members who were currently involved in, or had already completed, the transfer of their family farm. The interpretation of data that was collected from interviews was verified with anecdotes obtained from participants at an Alberta Agriculture seminar that was conducted to provide information to families interested in learning about farm transfers. The seminar included a panel discussion in which three individuals were invited to share their stories about transferring their family farms.

### **Interviews**

Nine interviews were conducted with 13 members of five central Alberta farm families. Twelve of these interviews with farm family members comprised the data for this study. Interviewing began in January 1995 and was completed in June 1995. All interviews were conducted in respondents' homes, and ranged from one hour to 90 minutes in length.

I conducted the first four interviews with the assistance of a Rural Development Specialist who is employed with Alberta Agriculture, Food and Rural Development. These initial interviews were exploratory in nature and encompassed a wide variety of information. The assistance of a second interviewer facilitated careful listening and

probing for details that helped to inform the questioning. One interviewer was able to keep track of key points at all times so we could return to discuss them with the informants later in the interview. As interviewing progressed, and themes began to emerge from the data, questioning became more focused and did not require two interviewers. Thus, I conducted the remaining five interviews alone.

Four married couples took part in this study. Spouses in the first couple were interviewed together. The husband in the second couple was interviewed alone for most of the interview. His wife asked permission to take part near the end of the interview. She also was interviewed alone at a later date. Respondents in the remaining two couples were given the choice of being interviewed individually or together with their spouse. All chose to be interviewed together.

The drawbacks of interviewing couples rather than individuals have been documented in methodological discussions about family research. One concern in interviewing a couple is that there may be a greater chance that they will not reveal any information about conflicts or issues they find embarrassing, distressing, or detrimental (Daly, 1992).

There was concern in this study that one older generation couple did attempt to protect their "backstage behaviour" (Goffman, 1959 as cited in Daly, 1992, p. 107) by presenting a somewhat guarded perspective of conflict that their family had experienced in the early stage of their farm transfer. However, any biases that may have been present in this interview were balanced during a subsequent interview with the successor couple of this same family. Each respondent in the successor couple spoke very openly about

the 'rocky times' their family had experienced, and were able to provide details that were missing from the stories that had been shared by the retiring generation.

The benefits of interviewing couples together have also been noted in previous family studies. Daly (1992) notes that "with two accounts, a more reliable picture can emerge" (p. 108), and reliability and validity is enhanced. In particular, the perspectives of one spouse can be balanced by those of the other, thereby reducing bias in the data. In addition, spouses serve to trigger the memories of one another, enhance honesty and validity by questioning each others perspectives, expand upon information, and clarify differences in opinion (Allan, 1980; Bennett & McAvity, 1985; Daly, 1992). Finally, wives often serve as valuable allies who encourage their husbands to feel comfortable in discussing private family matters (Daly, 1992).

Similar advantages were prevalent during the interviewing of couples for this study. For example, as one informant was explaining his family's rules for paying children for their farm chores, his wife eagerly interjected with, "Tell them about the feed man. Do you remember?" A colourful story emerged from this prompt and provided a rich understanding of the philosophies and values that guide the relationships and day-to-day interactions in this family. This understanding, in turn, served to inform how the philosophies and values that parents and children share over time influence the transfer of their farms.

All interviews were audio-taped to ensure accuracy in the later interpretation of respondents' words, and to allow me to maintain full attention to the conversations. All audio tapes were transcribed verbatim immediately following each interview, with one

exception. Upon my arrival to conduct one interview, the respondent expressed discomfort with being tape-recorded. I suggested that we not conduct the interview, but at the respondent's insistence the interview was completed and recorded.

Given that this respondent was not completely comfortable with being recorded, the decision was made not to transcribe the interview. I was not certain that the respondent's agreement to complete the interview was made out of a genuine desire to do so, or from a sense of obligation. Thus, I felt that using the data from this respondent could violate ethical standards, as well as threaten the soundness of the research findings.

Interviews were guided by three types of qualitative questions (Rubin & Rubin, 1995). Figure 3.1 provides a summary of the types and nature of questions that were used in conducting the face-to-face interviews with respondents. Each interview began by asking respondents to describe the history of their family and farm. This information provided the opportunity to ease respondents into the interview process, to establish a rapport with the researchers, and to enhance their comfort in responding to interview questions. In addition, it yielded general demographic information about family members' ages, marital status, education, and careers, as well as data about how long the farm had been in the family, and when and how the farm had passed from generation to generation. This information provided a rich description of the cultures of these families, helped to inform subsequent questions in the interview, and was used during analysis to make comparisons between families as to how far along they were in the transfer process, and to identify all family members involved in the transfer.

**Figure 3.1. Data Collection: Summary of Interview Questions****I. Introductory Question**

- Purpose:**
- enhance respondent comfort
  - yield demographic information
  - inform subsequent interview questions
  - data analysis comparisons of families
- Example:**
- "Tell me about the history of your farm and family."

**II. Main Questions**

- Purpose:**
- break farm transfer topic into key issues to provide framework for interview
- Overall Guiding Questions:**
- "Tell me what a successful farm transfer means to you?"
  - "How would you know if you weren't successful?"
  - "If you had to give advice to another family just beginning a farm transfer, what would you tell them?"
- Categories of Main Questions and Examples**
- when transfer begins and ends
    - "How did the transfer begin in your family?"
    - "How will you know when the transfer is finished?"
  - events and activities related to the transfer
    - "How did you plan for your farm transfer?"
  - family members' roles and responsibilities
    - "Who has been involved in passing on the farm? Tell me about their involvement."
    - "How do you see your role in this farm?"
  - challenging experiences
    - "What challenges has your family faced in passing on the farm? How did your family work through these challenges?"
    - "If you had it to do over again, would you do anything differently?"
  - pleasurable experiences
    - "What good memories do you have about your transfer?"
  - resources used in transfer
    - "What things have helped you to handle your transfer?"
  - training successors
    - "How were [you/your child] prepared to become a successor?"
  - retirement of parents
    - "What will your life be like when you retire?"

**III. Probes**

- Purpose:**
- elicit more depth in answers
  - ensure researcher understanding
  - provide clarification and fill in gaps
- Example:**
- "Could you give me an example of the kinds of things that you did to help your daughter-in-law adjust to farm life?"

**IV. Follow-up Questions**

- Purpose:**
- provide elaboration about emerging information and themes
- Example:**
- "Other families have told me that to transfer a farm successfully the family has to 'get along.' If I were to observe your family, what things would I see that would tell me you get along?"

Next, several "main questions" (Rubin & Rubin, 1995, p. 146) were used to break the topic of farm transfer into a number of general categories. The use of main questions provided a framework for conducting interviews by helping to focus the topics for discussion, while at the same time encouraging individual respondents to "express their own opinions and experiences" (Rubin & Rubin, 1995, p. 146).

Each interview was centred around the main guiding question, "Tell me what a successful farm transfer means to you?" This question enabled respondents to share their views about the factors they considered most critical to the successful transfer of their family farms. It also served as the starting point from which additional main questions were developed and explored as interviewing progressed. Themes identified from early interviews were substantiated in later interviews by reframing the main guiding question as "How would you know if you weren't successful?"

Respondents' perspectives of the factors that are most critical to achieving a successful transfer were also confirmed and summarized at the end of each interview using the question "If you had to give advice to another family just beginning a farm transfer, what would you tell them?"

As noted above, the additional main questions that were organized around the main guiding question were used to explore the key issues that respondents identified as important in successfully transferring their farms. As interviewing progressed, these questions were informed by the research literature, and were framed around the following topics: when the transfer begins and ends; events and activities related to the transfer; family members' roles and responsibilities; challenging experiences; pleasurable



experiences; resources used to assist in the transfer; training of successors; and retirement of parents.

The experiences unique to each respondent were further captured through the use of probing questions. Probes were used to elicit more depth in answers, to provide clarification and fill in gaps in information, and to provide confirmation to respondents that I had heard and understood what they were saying (Rubin & Rubin, 1995). Thus, through the use of probes, I encouraged detailed conversations about the beliefs and behaviours that respondents felt were most salient to their transfers.

Finally, as interviewing progressed focused questions were developed from one interview to the next to provide elaboration and deeper understanding of information and themes that emerged (Rubin & Rubin, 1995). Follow-up questions were developed between interviews in consultation with the Rural Development Specialist who assisted in conducting the initial interviews, and a Farm Management Specialist who is employed with Alberta Agriculture. Both are well-versed in farm transfer issues and so served as excellent resources in developing appropriate interview questions.

Interviews continued until adequate data were obtained to answer the objectives of the study. Adequacy in qualitative research refers to the amount of data collected, as opposed to the actual number of respondents that are interviewed (Morse, 1994). Adequate data are deemed to be attained when analyses indicate a saturation point has been reached in which major trends begin to recur and no new topics or information emerge (Luborsky, 1994; Morse, 1994).

Saturation was ensured in this study when repetition in data was obtained from multiple respondents, and when the details of respondents' stories provided a rich understanding of the meanings and patterns by which they defined their farm transfers as successful (Morse, 1994). Specifically, 11 of the 13 respondents were interviewed in depth. An emphasis on harmonious family relationships, the development of informed successors, and sound farm operations was highly apparent in all transcripts. Detailed stories related to these themes were provided by retiring and successor generations, and afforded a clear understanding of the factors that are considered most critical to successful farm transfers. A less extensive interview with the final two respondents revealed similar accounts and, thus, served to inform the conclusion that saturation had been reached.

#### **Alberta Agriculture Panel Discussions**

Additional data were obtained through my observation at an Alberta Agriculture seminar that was conducted for families seeking information about farm transfer. The seminar was organized and conducted by the Rural Development Specialist and Farm Management Specialist who assisted in the collection and analysis of data for the face-to-face interviews.

Part of the seminar involved a two-hour panel discussion in which three individuals were invited to make presentations and answer questions about their experiences in transferring their family farm operations. One presenter was an older generation male. The remaining two presenters were successor sons. These presentations took place in December, 1995, approximately six months following completion of the face-to-face interviews. The information obtained from the presentations provided confirmation and

concurrence with the data that were collected in the face-to-face interviews, and enhanced the depth of the research results by providing more specific examples of informants' experiences.

### **Sampling Decisions**

A researcher who employs qualitative methodologies makes sampling choices based on the knowledge that one "cannot study everyone everywhere doing everything" (Miles & Huberman, 1994, p. 27). Thus, in electing to adopt a qualitative inquiry for this study, the sampling strategy was somewhat pre-defined.

Sampling in this study was purposive. Purposive sampling is a strategy in which particular settings, people, and events or processes are selected deliberately in order to provide the best information for answering the research questions (Marshall & Rossman, 1995; Miles & Huberman, 1994).

The general question guiding this study was "What are retiring and successor family members' perceptions of how they successfully transfer their Alberta family farm businesses from one generation to the next?" In addressing this question, I was interested in moving beyond existing research to draw on the "rich mix" of the people, processes, situations, interactions and structures that are essential to credible and trustworthy understandings of farm transfer (Marshall & Rossman, 1995, p.51; Miles & Huberman, 1994). In conducting qualitative research, sampling a range of dimensions is most effectively accomplished by defining the variables most relevant to the phenomenon of interest and systematically selecting a setting, respondents, and situations that represent

the most important possible variations on these dimensions (Marshall & Rossman, 1995; Maxwell, 1996, Miles & Huberman, 1994).

Given that the findings of this study were intended to inform the development of extension materials for Alberta Agriculture, the sampling strategy used in this study began with a search for a setting that would appropriately represent Alberta family farms and farm families. Sampling was further guided by my knowledge of the literature about the processes, issues, and variables that are central to farm transfers, together with the assumptions of the business and family components framework that informed this study.

On the basis of key components identified in the literature, sampling encompassed variations in farm and family generations, gender, successor's marital status, farm size, general economic position, stage in the transfer process, and presence of other potential successors. A summary of the main sampling parameters for this study is provided in Table 3.1.

### **Selection of the Research Setting**

The collection of data for this study was conducted within a farming community located in north central Alberta (see Appendix A). Several factors made this setting ideal for research that examines how farm families successfully transfer their farm operations from one generation to the next.

First, the research area selected for this study is a well-established agricultural community in Alberta with some family farms dating over 100 years. Thus, it was possible to access farms that had been in the family for more than one generation. Of the five farms that participated in this study, one was in the process of being transferred to

**Table 3.1. Sampling Respondents, Situations, and Process**

| Respondents                           | Family 1 | Family 2  | Family 3  | Family 4 | Family 5  |
|---------------------------------------|----------|-----------|-----------|----------|-----------|
| Retired Male                          |          |           |           | d*       | early-80s |
| Retired Female                        |          |           | early-70s | d*       | late-70s  |
| Retiring Male                         | mid-50s  | mid-40s   |           |          |           |
| Retiring Female                       | mid-50s  | d*        |           |          |           |
| Married Successor Son                 | mid-20s  |           |           |          | d*        |
| Successor Daughter-In-Law             | mid-20s  |           |           |          | d*        |
| Married Successor Daughter            |          |           |           | mid-40s  |           |
| Successor Son-In-Law                  |          |           |           | mid-40s  |           |
| Unmarried Successor Son               |          | early-20s | late-30s  |          |           |
| Situations                            |          |           |           |          |           |
| 2nd Generation Farm                   | X        |           |           |          |           |
| 3rd Generation Farm                   |          | X         |           |          | X         |
| 4th Generation Farm                   |          |           | X         | X        |           |
| Lower Capital/Smaller Land Base       |          |           | X         |          |           |
| Mid Capital/Mid Land Base             | X        | X         |           | X        |           |
| Higher Capital/Larger Land Base       |          |           |           |          | X         |
| More Than One Successor               |          | 1         |           |          |           |
| Off-Farm Siblings (Sons/Brothers)     | 1        |           | 7         |          | 3         |
| Off-Farm Siblings (Daughters/Sisters) | 1        |           | 1         | 1        | 1         |
| On-Farm Siblings (Sons/Brothers)      |          |           |           |          |           |
| On-Farm Siblings (Daughters/Sisters)  |          | 1         |           |          |           |
| Process                               |          |           |           |          |           |
| Beginning Transfer                    |          | X         |           |          |           |
| Years In To Transfer                  | 4        |           |           |          |           |
| Years Until Parents Plan to Retire    | 10       | 10        |           |          |           |
| Years Since Transfer Complete         |          |           | 7         | 13       | 18        |

d\* declined to be interviewed

the second generation, two involved transfers to the third generation, and two farms had been in the family for four generations.



As illustrated in Table 3.2, the research setting also encompassed a range of farm sizes that is similar to those elsewhere in the province. In addition, the agricultural census indicates that farms in the research setting are comparable to the provincial average for both total farm capital and business expenses. At the same time, the research setting allowed for a variation in farm sizes, total capital, and total expenses for the study.

**Table 3.2. Farm Size, 1991 Total Farm Capital, and 1990 Total Farm Expenses for Province and Research Setting**

| Category            |                     | Province              | Research Setting      |
|---------------------|---------------------|-----------------------|-----------------------|
| Farm Size           | 10 - 399 Acres      | 46%                   | 48%                   |
|                     | 400 - 1,119 Acres   | 32%                   | 34%                   |
|                     | 1,120 - 1,599 Acres | 9%                    | 8%                    |
|                     | > 1,600 Acres       | 13%                   | 10%                   |
| Total Farm Capital  | Range               | \$346,000 - \$777,000 | \$429,000 - \$837,000 |
|                     | Average             | \$538,000             | \$532,000             |
| Total Farm Expenses | Range               | \$ 47,000 - \$161,000 | \$ 43,000 - \$122,000 |
|                     | Average             | \$ 81,000             | \$ 80,000             |

Marshall and Rossman (1995) also note that selecting an appropriate setting for a study is futile if the researcher cannot gain access to the site. The setting selected for this research was ideal for a study that examines how farm families successfully transfer their farm operations because access was available through a farmer who was well known and respected in the community. This individual's knowledge of and harmonious relationships with other families in the area facilitated selection of a variety of farm and family situations that were of interest in understanding successful transfers.

#### **Sampling Research Respondents, Situations, and Process**

Ideally, the respondents for qualitative studies are selected on the basis of specific criteria to ensure that data come from sources that are appropriate for answering the



research questions and, as such, are of the highest quality (Miles & Huberman, 1994; Morse, 1994). All respondents for the face-to-face interviews and panel discussions in this study were selected on the basis of the following criteria:

- 1) they were knowledgeable about and had personal experience in the transfer of a family farm business;
- 2) they were able to openly discuss and reflect upon their farm transfers;
- 3) they were articulate;
- 4) they had the time to be interviewed;
- 5) they were willing to participate in the study;
- 6) they believed they were currently in, or had completed, a farm transfer; and
- 7) they believed that the transfer was progressing, or had been completed, successfully.

Sampling variations in respondents, situations, and process were achieved by interviewing: members of both retiring and successors generations; male and female respondents of both generations; married and unmarried successors; families just beginning the transfer, in to the transfer, and finished the transfer; and families in which other potential successors (i.e., siblings) were present.

### **Data Analysis**

Qualitative data analysis is a methodical process that involves the retrieval, management, and organization of units of data that reflect respondents' beliefs, attitudes, and values in order to discover patterns or themes that are most meaningful for answering research questions (Coffey & Atkinson, 1996; Luborsky, 1994). It is not a distinct stage

of the research process, but rather is an iterative activity that both informs and is informed by the development of a research study, ongoing collection of data, and writing of results (Coffey & Atkinson, 1996; Rubin & Rubin, 1995).

Consistent with prevailing approaches (see for example Luborsky, 1994; Miles & Huberman, 1994; Rubin & Rubin, 1995; Strauss & Corbin, 1990), thematic analysis for this study was an ongoing process that occurred simultaneously with data collection. Data came from interview transcripts, and analysis involved three stages.

The first task of analysis was to reduce or condense the data. Data reduction is a form of analysis that "sharpens, sorts, focuses, discards, and organizes data" (Miles & Huberman, 1994, p. 11) so that conclusions can be derived and substantiated to answer the research question. To condense data, after each interview was completed and transcribed, the transcripts were first scanned and then read carefully by each analyst to answer the question "What is this about?" (Rubin & Rubin, 1995; Strauss & Corbin, 1990). This step provided a general sense of the beliefs, attitudes, and perceptions of how family members viewed the transfer of their farms.

Next, an open or first-level coding approach (Miles & Huberman, 1994; Strauss & Corbin, 1990) was used in which the transcripts were examined line by line and the key words, phrases, and statements from each interview were highlighted and then recorded on to separate slips of paper. The slips of paper were then sorted according to content and formed a number of categories or major topics.

Coding and the organization of data into categories was informed by the research literature and were centred around processes, specific activities, strategies, and

relationships that were related to the successful transfer of family farm businesses. Coding and recoding continued in the same manner until thirty initial categories had emerged. These categories are summarized in Figure 3.2.

In the next phase of analysis, the categories were continually compared and contrasted within individual transcripts and between different transcripts to identify frequently occurring statements, to discover inconsistencies between what people said, to establish patterns of action and interaction, and to determine which categories seemed to go together and which contradicted each other (Luborsky, 1994; Miles & Huberman, 1994; Strauss & Corbin, 1990). More specifically, this step was guided by the questions: "What things are the same from one interview to the next?," "What things are different from one interview to the next?," "What are the properties or dimensions of things that are the same?," "What are the properties or dimensions of things that are different?," "Which categories seem to have the most support?," and "Which categories seem to have the least support?"

During this phase of analysis boundaries and relationships among categories were gradually clarified, some categories were combined, and one was eliminated because of a lack of support. For example, in the initial stages of coding data, three categories were labeled "chores," "formal education," and "informal education". These categories were subsequently combined to form a single category which was named "educating the younger generation." Continuing discussions among the researchers resulted in an integration and reduction from the initial thirty categories to ten key categories. These categories are summarized in Figure 3.2.

**Figure 3.2. Initial Categories, Integrated Categories, and Main Themes Resulting From Analysis**

| Stage One<br>Initial Categories                                                                                                                                                                                                                                                                                                                                                                                                                 | Stage Two<br>Integrated Categories                                                                                                                                                                                                                                                     | Stage Three<br>Main Themes                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>•Demographics</li> <li>•Risk</li> </ul>                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>•Used to inform data collection and analysis</li> <li>•Eliminated because of lack of support and emphasis in the data</li> </ul>                                                                                                                | <ul style="list-style-type: none"> <li>Skilled farm successor</li> <li>Viable farm operation</li> <li>Amicable family</li> </ul> |
| <ul style="list-style-type: none"> <li>•Definitions of success</li> <li>•Planning to be a farmer</li> <li>•Giving the younger generation a start</li> <li>•Informal education</li> <li>•Formal education</li> <li>•Chores and training</li> <li>•Sharing responsibilities</li> <li>•Decision-making</li> <li>•Management</li> <li>•Ownership</li> <li>•Giving space</li> <li>•Homestead</li> <li>•Letting go</li> <li>•Setting goals</li> </ul> | <ul style="list-style-type: none"> <li>•Establishing farming as successor's career and establishing careers for non-farming siblings</li> <li>•Educating the younger generation</li> <li>•Sharing responsibility</li> <li>•Giving space</li> <li>•Planning for the transfer</li> </ul> | <ul style="list-style-type: none"> <li>Giving Roots and Giving Wings</li> </ul>                                                  |
| <ul style="list-style-type: none"> <li>•Getting along</li> <li>•Family values</li> <li>•Family philosophies</li> <li>•Family dynamics</li> <li>•Philosophies of farm transfers</li> <li>•Teamwork</li> <li>•Rocky times</li> <li>•Issues of farm transfers</li> <li>•Solving disagreements</li> <li>•Communication</li> <li>•Easing the process</li> </ul>                                                                                      | <ul style="list-style-type: none"> <li>•Developing the family's values</li> <li>•Encountering rocky times</li> <li>•Communicating</li> </ul>                                                                                                                                           | <ul style="list-style-type: none"> <li>Getting Along</li> </ul>                                                                  |
| <ul style="list-style-type: none"> <li>•Financial arrangements</li> <li>•Arranging business</li> <li>•Being fair</li> </ul>                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>•Buying in and cashing out</li> <li>•Being fair</li> </ul>                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Handling Financial Issues</li> </ul>                                                      |

Comparative analysis continued to a final stage in which categories were linked to create a clear explanation of the meaning and factors involved in a successful farm transfer. This stage yielded three interrelated definitions of success and three overarching themes that encompass the key factors that influence a family's ability to transfer their farm successfully. These definitions and themes are summarized in Figure 3.2, and presented in detail in Chapter Four.

### **Truth Value of the Data and Research Findings**

The ability to evaluate and verify the methodological adequacy and validity of a project is necessary in any systematic research endeavour (Lincoln & Guba, 1985). While there are no agreed upon guidelines for assessing the rigor of qualitative research (Altheide & Johnson, 1994; Creswell, 1994; Morse, 1994), the concern of most scholars is with addressing what Lincoln and Guba (1985) refer to as the "truth value" (p. 290) of a research project.

Truth value in qualitative research focuses on the correspondence between the data that are collected and the researcher's interpretations of them (Creswell, 1994; Marshall & Rossman, 1995; Miles & Huberman, 1994). This perspective emphasizes that researchers "remain loyal or true to the phenomenon under study" (Altheide & Johnson, 1994, p. 486), rather than strictly adhering to particular techniques or principles.

A number of strategies were used in this study to ensure that the research findings provided an authentic representation of the respondents' experiences in successfully transferring their family farm operations. These strategies included multiple raters, participant feedback, feedback from other sources, and an audit trail.

### **Multiple Raters**

I completed the collection and analysis of data with the assistance of a Rural Development Specialist and a Farm Management Specialist employed with Alberta Agriculture. The collaboration of three researchers was a very effective strategy to ensure the truth value of the research because it enhanced my ability to be theoretically sensitive throughout the research process. "Theoretical sensitivity" refers to a researcher's capacity to recognize what is important in the collection of data and to give it meaning through analysis (Strauss & Corbin, 1990, p. 46).

I came to the study with a thorough understanding of the research literature about farm transfers, as well as about family theories and methods. However, I had been away from a farming environment for over twenty-five years, so was not well-versed in the economics and technicalities involved in living in and operating a family farm business on a day-to-day basis. In contrast, my colleagues possessed both personal knowledge about farming and professional experience in helping families to manage their farm businesses. We all shared a keen interest in helping families, and strongly believed that the systemic nature of family farm businesses influences the manner in which farm transfers are carried out. This belief encouraged the collection and interpretation of data from women and men of both generations, rather than a preoccupation with the older generation male and successor son which is a typical approach in many existing farm transfer studies.

Throughout the collection and analysis of data we balanced our shared understandings with the unique perspectives and personal and professional experiences that each of us brought to the project. We did this by continually playing "devil's advocate" (Marshall



& Rossman, 1995, p. 145) to challenge and inform each other's impressions and interpretations about the emerging themes.

### **Participant Feedback**

Upon completion of analysis, all participants in this study were provided with copies of their interview transcripts, and the written research results, and asked to provide feedback about the authenticity of the data and findings. These member checks (Creswell, 1994; Maxwell, 1996) ensured that truth value was obtained in the study by eliminating the possibility that respondents' perspectives and meanings were misinterpreted.

Eight of eleven informants chose to participate in providing feedback. These responses yielded complete consensus that the data and conclusions were highly accurate, with only a few minor revisions required for the purposes of adding clarity. The participants who declined the invitation to provide feedback were a younger generation couple and a younger generation unmarried male. While it is possible that these individuals did not agree with some or all of the data and research findings, they were also asked to inform me if they objected to any quotations from their interviews being used in the written reports. None of the three indicated that they did not wish their information to be used. Thus, it was assumed that they were satisfied that the data and research findings accurately represented their perspectives.

### **Feedback From Other Sources**

This study was developed and conducted with the assistance of a number of professionals who were well-versed in farm transfer and farm management issues. In addition to the rural development specialist and farm management specialist who assisted

me in the collection and analysis of data, this research team consisted of my graduate advisor, a rural economist, a family business specialist, a farm business management specialist, and the farm manager who assisted me in locating respondents for the study.

I met with all of these people at the beginning of the study to discuss the need for the study, as well as data collection and analysis procedures for the research. Different members of this group also joined the analysis meetings at different times throughout the research process to offer their suggestions and feedback about what information needed to be explored more fully during interviews and in the development of themes. A final meeting was held with the full research team upon completion of data collection and analysis. During this final meeting I reported the research findings and received feedback about changes that would further enhance the truth value of the study. For example, one category had initially been named "promoting family values." After extensive discussions with the research team, the decision was made that this category would more appropriately be called "developing the family's values."

The truth value of the study also was enhanced through the questioning and feedback that I received from other farm families not involved in the research. I presented an overview of the study and discussed the emerging themes at two Alberta Agriculture seminars that were conducted for families interested in learning about farm transfers. My participation in these seminars enhanced truth value because family members' perspectives and questions challenged some of my interpretations and, thereby, provided valuable feedback about areas that required further clarification or elaboration.

Truth value was enhanced further by my observation of presentations made by two successor sons and a retired father at one of the Alberta Agriculture seminars. These individuals had been invited to share their stories about farm transfer, but were not advised about the specific information they should discuss. Two of the individuals spoke impromptu with no prepared notes, while the third had prepared a formal presentation. Following the presentations, questions were posed by the audience and answered in a panel type discussion format. I did not speak at all during this seminar. Rather, upon obtaining the verbal permission of all people in attendance at the seminar, I tape-recorded and wrote notes during the presentations and question period. I later compared the information I had heard from these informants with the data and findings from the face-to-face interviews. These comparisons revealed that the participants' stories from the seminar were very similar to those of the interviews I had conducted. The confirmation of this similarity served to inform me that I was on track and being true to the phenomenon under study.

### **Audit Trail**

Documentation was kept to ensure that the key decisions, methods, and procedures that occurred throughout the research process could be reconstructed if necessary (Creswell, 1994; Miles & Huberman, 1994; Morse, 1994). The audit trail existed in a number of forms. These included: printouts from library searches, the updated bibliography, and copies of all literature that informed the study; raw data in the form of audio tapes and typed transcripts; notes to and from the transcriber regarding any concerns with the transcribing of data; audio tapes from all team meetings throughout the

collection and analysis of data; meeting minutes and written materials that informed the conceptual and analysis stages; notes from telephone conversations with informants and the farm manager who located informants; signed consent forms; coding slips; and memos and notes that I wrote throughout the research process.

### Utilization of the Study

The question of methodological adequacy and validity of a qualitative inquiry extends beyond its truth value to its applicability to other settings. While qualitative studies do not purport to be externally generalizable to other settings (Creswell, 1994; Marshall & Rossman, 1995), they must be useful. Utilization refers to the extent to which a research project provides practical information for both researchers and the subjects being studied. Qualitative research is deemed to be useful if it advances understanding about a given subject area, and if it enhances the ability of participants and other stakeholders to learn and develop new skills or abilities that are in their own interests (Miles & Huberman, 1994).

Utilization was achieved in this study in a number of ways. First, the theoretical parameters that informed the collection and analysis of data were defined. This information will be useful to other researchers interested in farm transfers by assisting them in determining how the methodological approaches, informants, and findings described here can inform new research in other settings.

Secondly, the findings from this study were delineated in a summary and technical report to Alberta Agriculture, Food and Rural Development. This information will be useful to both farm management professionals, other members of the farm population,

and in the development of resource and extension materials because it identifies the issues and approaches that some families say are most important in understanding and managing farm transfers.

Finally, I was gratified to receive confirmation of the usefulness of this study from the 45 participants who took part in the Alberta Agriculture seminars in which I presented the research findings. These individuals indicated that hearing about other people's stories helped them to identify the issues they will have to contend with, and the skills they will require to deal effectively with these issues as they prepare for their own farm transfers.

### **Ethical Considerations**

Guidelines for ethical research required that a number of steps be taken in the design and implementation of this study to ensure that the rights and welfare of respondents were protected. These steps addressed gaining access and informed consent, negotiating a research relationship, and ensuring privacy, confidentiality and anonymity. Prior to proceeding with interviewing, an ethical review was conducted and approved by the Human Ethics Committee, Faculty of Agriculture, Forestry and Home Economics at the University of Alberta to ensure that this study would be conducted in an ethical manner (see Appendix B).

### **Gaining Access**

All respondents for this study were selected as interviewing progressed. Access was possible through a farm manager who operated a family farm business in the area where the study was conducted, and who was well-known and respected by local residents. I



regularly contacted the farm manager and informed him of the type of respondents that I wished to interview. He identified potential respondents, and then contacted them by telephone and informed them of the general purpose of the research.

In addition, one respondent was identified and contacted by the Farm Management Specialist from Alberta Agriculture who served as a member of the research team.

Another respondent was identified and contacted by a family member that I had already interviewed.

When potential respondents expressed an interest in participating in the study, I was given their names and telephone numbers. I then telephoned each individual and informed them of the purpose of the study, the identities of all research team members, the time commitment required of them, the interview format, how the information they provided would be used, and their rights as participants in the study. If a potential respondent agreed to participate, a convenient meeting time was arranged to conduct the interview.

Seventeen people from six different families were contacted for face-to-face interviews. Of these, five refused the invitation to take part in the study. Two main reasons were cited by those who refused to participate. Three older generation farmers did not have the time either because of farm work or vacations. The remaining two individuals refused because they believed that they did not have a role in the transfer of their farms. One of these individuals was an older generation female, and one was a successor son.

Prior to beginning each interview, a written overview about the study was reviewed with each respondent. This overview provided the same information that I had discussed



with them over the telephone. A copy of the written overview is found in Appendix C. If respondents still agreed to participate, they signed a written consent form in my presence. A copy of the consent form is found in Appendix D. All respondents were given copies of both the written overview and the consent form.

### **Negotiating a Research Relationship**

The quality of data collected in a study can depend upon the way that respondents view the researcher's role, and the nature of the partnerships that the researcher establishes with respondents as a result of their perceptions (Rubin & Rubin, 1995). Rubin and Rubin (1995) suggest that, in conducting interviews, it is best to present oneself in a way that is understandable and meaningful to respondents. More specifically, the interviewer should "select those aspects of who you are that make sense in the world of the interviewee and that facilitate conversation" (Rubin & Rubin, 1995, p. 116).

In conducting the interviews for this study, I discovered that most of the respondents had completed some form of post-secondary education, either at the college or university level. In other words, they had been students at one time in their lives and, as such, understood the role of student. Given this knowledge, I did not approach the interviews from the perspective that I was a researcher affiliated with a university and a government department. Rather, I presented myself as a student seeking new knowledge about farm transfers, and I considered the respondents to be my teachers.

As a representative of the University of Alberta and Alberta Agriculture, it was also important to me that I manage the interviews with the highest integrity. Thus, the

relationships that I established with the families who took part in this study emphasized respect, gratitude, and equality. I adhered to these principles by adopting the perspective that I was a privileged guest who had been invited into the homes of people who had a wealth of experience and knowledge to share with me.

I employed a number of approaches to ensure that I treated respondents with respect, gratitude, and as equals at all times. First, I telephoned respondents the day before their scheduled interview to confirm my appointment with them. Secondly, I was always cognizant that I was visiting respondents in their homes. I wore clothing that was casual, but neat, so as not to appear inappropriately dressed for the setting. In addition, I was always respectful of respondents' schedules and arrived on time. I gave all respondents the opportunity to contact me at any time should they have questions about the study, and I provided my telephone number and address to them. All respondents were informed that, upon completion of this study, an overview of the final results will be mailed to them.

Overall, I approached interviews in a friendly, courteous, responsive, and compassionate way, and was considerate to the differing needs and abilities of all respondents. For example, some men indicated that answering questions related to emotions and feelings was difficult for them. In addition, some respondents were of less experience and maturity than others. In such cases, I assured them that there were no right or wrong answers. I always reworded my questions whenever possible, and moved on to a new question if the respondent appeared embarrassed or uncomfortable.

### **Privacy, Confidentiality, and Anonymity**

In addition to securing informed consent and an ethical interviewing relationship, the privacy, confidentiality, and anonymity of respondents were taken into account. A respondent's right to privacy encompasses his or her "freedom to decide when, where, in what circumstances and to what extent their personal attitudes, opinions, habits, eccentricities, doubts and fears are to be published" (Social Sciences and Humanities Research Council of Canada, no date, p. 4). Respondents were informed that they might be quoted in written reports and journal publications available to the public, but that their identities would not be revealed. Each respondent was also invited to review the written results of the research prior to it being distributed beyond the research team, and will be provided a copy of the final written report to be prepared by Alberta Agriculture.

Confidentiality concerns the extent to which a respondent's personal information is revealed to others through the use of the research data (Social Sciences and Humanities Research Council of Canada, no date). A primary concern of confidentiality existed in handling families in which more than one family member was interviewed. When interviews were conducted separately for members of the same family (i.e., parents and adult children), respondents were informed that the information provided by their family members could not be disclosed to them. Great care was taken to ensure that no information provided by one family member was revealed to another.

A second concern germane to confidentiality was that the farm manager involved in identifying respondents would have access to information that they revealed during their interviews. To address this concern, all respondents were informed of the nature of the

farm manager's involvement in the study. He did not participate in any part of the collection or analysis of data, other than to identify and make initial contact with respondents, and at no time did he have access to any of the interview transcripts or audio tapes.

Protecting a respondent's right to anonymity entails ensuring that his or her identity cannot be indirectly or unintentionally divulged by way of association or by combination of any of the research information that is presented publicly (Social Sciences and Humanities Research Council of Canada, no date). Anonymity in this study was maintained by assigning both a pseudonym and an interview number to all respondents. All transcriptions of the audio recordings were altered so that the true identity of each respondent was not present on printed copies of their interview or in the written report. All audio tapes were stored under locked security in my sole custody, and were destroyed upon completion of the research project.

Anonymity was also preserved by altering personal details in the transcripts and research reports to ensure that respondents could not be identified in any of their quotations. In addition, respondents were provided the opportunity to review the written results and to request changes they considered necessary to protect their identities.

## CHAPTER FOUR

### Research Findings

#### Introduction

The purpose of this study was to provide an understanding of the experiences of families that say they are currently involved in or have completed successful transfers of their family farm businesses. In order to accomplish this, the first objective of the research was to describe what the term "successful transfer" means to the members of these farm families. A second objective was to identify and describe the factors that helped these families achieve success in transferring their farms.

In this chapter, participants' responses are summarized to answer the research question. The meaning of success, and the factors that respondents believe lead to success, are explained through the themes that emerged from the data.

Each theme in this chapter is delineated by specific references to respondents' discussions. The presentation of findings begins with a description of a three part definition of success. Next, respondents' recurring comments converged to create the factors they believed were most critical to achieving success in their transfers. Related factors are organized together and described to portray each of three broad themes. Together, the information summarized in the definitions and factors illustrates the key influences in the farm transfer process from the perspectives of families who say they are successful.

The letters that precede each quotation represent the following abbreviations:  
RM refers to a Retiring/Retired Male; RF refers to a Retiring/Retired Female; SM

refers to a Successor Male; SF refers to a Successor Female; and I refers to the Interviewer.

### **What is a Successful Family Farm Transfer?**

One of the key questions that was asked of all respondents was, "Tell me what a successful farm transfer means to you." This question was designed to get at the cultural ideology or vision of what families believe they should strive for in passing their farms from one generation to the next. The respondents who shared their stories consistently defined a successful farm transfer in terms of three desired outcomes: a skilled farm successor, a viable farm operation, and amicable family relationships.

#### **Skilled Farm Successor**

**RM.**

*My Dad was glad with the way I managed the farm when I took it over. And that, of course, is a concern of mine too. No amount of money would make me happy if I saw my son poorly managing the farm afterwards.*

For a transfer to be considered successful, successors must view themselves, and be viewed by others, as competent managers who possess the ability and skills to make informed choices in managing the farm operation. Both generations recognized that the ability to make informed choices rests not only with being knowledgeable about the physical labour aspects of the farm operation, but also requires expertise in management decision making. A younger generation male conveyed the following:

**SM.**

*A lot of people, the sons or whatever, they get trained in a lot of the jobs, and so you end up knowing all the technical expertise on how to run the farm, but you basically are totally missing the management. You don't understand how to get everything ready to do the job.*



Acquiring an understanding of how to get everything ready to do the job and, hence, becoming a skilled farm successor, was viewed as a learning process for both parents as teachers, and successors as students. Parents recognized that, in developing the skills needed to take over the farm business, successors must be allowed to make mistakes. Thus, older generation respondents did not equate skill with the expectation of perfection in their children. In accepting the inevitability of errors, the retiring generation provided the encouragement and support sometimes needed to help younger farmers develop into confident, rather than reluctant, decision-makers.

**RM.**

*It was a learning process at first, and I think we're still learning at it.*

**RF.**

*It was [successor's] first summer home, I guess, after university, or maybe in between his third and fourth year. He was supposed to spray this field when [father] was gone, when the thistles were right. It was so funny because he dragged me out in the field, and I didn't know what stage a thistle was supposed to be sprayed at. But he just said, "Well Mom, I can't make a mistake," and I said, "What do you mean you can't make a mistake?" "Well, the neighbours will all see." And I said, "Yeah, but you're only 21. You can beat the mistake." I said, "We started farming at 24, and we made mistakes."*

While making mistakes was accepted and expected, successors did not equate being skilled with being a risk taker whose actions could threaten the viability of the farm operation. For the younger generation, being a competent farm manager meant reducing the potential for risk and, at the same time, remaining competitive. Successors understood that they need to stay well informed throughout their farming careers in order to fulfill these objectives.

**RM.**

*You have to do a good job of farming. You have to watch your costs and, nowadays more than ever, do a good job of marketing. And that's what I'm trying to do.*

**SM.**

*I like to be thought of as someone who keeps up with what's going on, but not risk his business on trying new ideas before they're proven to be decent.*

**I**

*What do you think a skilled successor is?*

**SM.**

*Somebody who keeps their debts low, and does a good job, keeps up to date on the latest things, tries new things, keeps making the right choices.*

### **Viable Farm Operation**

The extent to which a transfer is considered successful is also measured in economic terms. The farm operation must remain viable. This means that younger farmers are able to maintain the income levels and productivity achieved by the previous generation.

**I**

*Do you think your transfer has been successful?*

**RF.**

*I think so, yes. He's kept the farm up well, so I would say it's been successful.*

**I**

*How would you know if you weren't successful? What would be happening?*

**SM.**

*I know the income level of the farm when we came. If it was going to deteriorate and go down, I'd say, "Hmm, time to pull the pin here and go to where we're doing well." So it's a financial thing.*

**I**

*I'd like to get a sense of your long-range vision for your farm and for yourselves.*

**SF.**

*We'd like to continue keeping this farm doing as well as [father-in-law] has built it up to be.*

Viability also means that farm families are able to achieve their business goals for farm production and marketing and, in so doing, maximize profit that they believed eventually would allow them to attain debt-free status, or at least manageable levels of debt.

**RM.**

*I'm trying to be in the top one-third of the grain sold, rather than even in the middle or lower. You have to be in the top one-third of the price range to make a success.*

**RM.**

*Our goal for the farm is, as a company, to be debt free, so that we're not owing everybody money all the time, or that we may need a small operating loan once in a while.*

**SM.**

*What would make it successful? Not going broke in the process. Being able to pay your debts off, pay down your principal, without paying lots of interest. Being able to make a profit.*

Farm viability is not limited to monetary concerns. Respondents recognized that their livelihood, and that of future generations, also depends upon a respectful attitude and careful management of both land and livestock resources. Thus, passing on knowledge to successors about such things as chemical residues, erosion, crop rotations, and animal husbandry is an important way of sustaining a viable farm operation.

**RM.**

*Environment comes in to it too. I don't like to see the land abused. We like to treat the land with respect because that's what's making us a living. We don't abuse it. That means a lot to me, too, that that characteristic would be passed along to my kids. That they wouldn't be just in it for the almighty dollar and, in a sense, rape the land to be able to make a quick dollar, and then sell it to the highest bidder. I would never want to see that.*

**SM.**

*I'm a guy who wants to grow good and healthy crops, take care of the land, take care of the [livestock] in a healthy, responsible manner.*

### **Amicable Family Relationships**

Transfers are considered to be successful by virtue of the quality of the family's relationships. While establishing both a skilled successor and a viable farm operation are important objectives, all respondents stated that sustaining family harmony was the most significant part of their vision for transferring the family farm.

**SM.**

*I'd like to think that the priority is family first, and the farm second.*

**SM.**

*It's not just dollars and cents. It's people, it's family, it's grandchildren. I think that the family, before it starts has to say, "Number one priority is that our relationships and our friendships are the most important." That's the number one priority. These other things are just monetary garbage. You know, like it's much less priority.*

Competent farm managers and profitable businesses mean little if relationships are jeopardized in the process of passing on the family farm. Hence, some successors stated that they would have stopped the transfer if relationships had been at risk of being seriously harmed. All of these respondents had already completed their farm transfers.

**SM.**

*I think at any point if we would have seen that kind of a situation where we were jeopardizing relationships, I would have said, "We tried it, it didn't work out really well, and we're away."*

**SM.**

*If you don't get along with the next generation, you know it's time to forget this thing. People are more important than the farm and so you do something different.*

**SF.**

*We sure don't want to jeopardize relationships for these other kinds of things.*

When all is said and done, the nature of family relationships is measured by the extent to which parents, successors, and non-farming family members are satisfied with the outcomes of the transfer, and still want to maintain relationships with each other.

**RM.**

*Both parties have to be happy with the end product.*

**RF.**

*We didn't want a lot of wrangling about how it all was worked out. I think all of our kids are friends and they want to be friends in the end.*

**SM.**

*You still want to have a relationship with your parents.*

**I.**

*What are the characteristics of a successful farm transfer?*

**SM.**

*Keep the peace within the whole family. Everybody's happy. There's no hard feelings within the family members, or grudges. I feel if the family's all happy the way things are done, I would consider it a success.*

### **What Leads to a Successful Farm Transfer?**

The attainment of a skilled successor, a viable farm operation, and amicable family relationships is a long term endeavour that involves three key sets of critical success factors. These factors entail 'giving roots and giving wings,' to establish successors in the farm management role, to promote alternative opportunities for non-farming siblings, and to facilitate the retirement of the older generation; 'getting along' by overcoming tensions and promoting effective patterns of interaction among all family members; and arranging the key financial issues that families face in respect to their farm transfers.

### **Giving Roots and Giving Wings**

**RF.**

*There was a saying on a poster years ago that our pastor told us, and it really is true you know. You give your children two things. You give 'em roots and you give 'em wings. One they learn to grow, and the other they learn to fly.*

The theme of "Giving Roots and Giving Wings" involves five critical success factors: establishing farming as the successor's career and establishing careers for non-farming siblings; educating the younger generation both informally and formally; sharing and relinquishing the retiring generation's responsibility for the farm operation, fostering autonomy of family members by 'giving space', and planning for the transfer.



**Establishing Farming as the Successor's Career and Establishing Careers for Non-Farming Siblings**

In families that handled their farm transfers successfully, the retiring generation never presumed that any of their children would eventually become a successor. As reflected in the words of an older generation male, while passing on the family farm was "always in the back of [their] minds", parents strongly believed that each of their children should make their own career choices. In comparison, successors perceived farming to be a potential career prior to their being acknowledged as the successors to their family farms.

**RM.**

*They made their own decisions, pretty well, on what they wanted. I mean, nobody was pushed to stay on the farm or anything, or expected.*

**RF.**

*We never pushed. We wanted them to have their own careers.*

**I.**

*Did you plan on being a farmer, or were there other things you were thinking about?*

**SM.**

*Yes and no. I guess I never planned on not being one is the better way to put it.*

**SM.**

*I always had an interest in farming. I loved cattle and loved being around machinery, and probably in the back of your mind you always figure you're gonna farm.*

Despite their longtime interest in farming, in most cases, the desire to take over the family enterprise wasn't strongly emphasized by younger farmers until early adulthood. At the time that they indicated an interest in the family farm, successors were between 19 and 26 years of age. Successors recognized their desire to take over

the farm at the time of a key transition in their lives. These transitions included getting married, completing university or college, working away from the farm at other occupations, and the unexpected death of a parent.

**RM.**

*Then the next year I got married. So then we got a little bit more intense about the farming. If there's a wife involved, well then there is a squeeze. Then there's a time to make a decision.*

**RF.**

*I think it happened when [successor] was away for three or four years working in various jobs and he found a lot of these jobs...it wasn't...he likes to be his own boss, I think. And working for somebody else, that future wasn't for him.*

**SM.**

*It started the year Dad passed away. At the time I was working for a farmer for the summer on another farm. That was just supposed to be until the end of August and then I was going back to university. Then when Dad died, Mom asked me to come and help with the harvest that fall. [My brother] and I took the crop off and then I worked out for a year. Then they asked me to come back and they hired me that summer and the next year. After harvest I went to Olds for two years. The last year I started [college] in September, I was feeling I was gonna farm. I was interested.*

The decision to pursue a farming career was reinforced by a lack of competition from siblings. Specifically, the absence of brothers, having siblings with established careers elsewhere, or strained relationships between parents and other potential successors provided the opportunity for current successors to pursue their farm careers within the family enterprise. However, in families where there was a large number of siblings, the current successor's ability to take over the family farm was more uncertain.

**RM.**

*I was fortunate that I didn't have any other brothers that wanted to farm, and my sister sure didn't want to farm, so it was easy that way.*

**L**

*When you were growing up on the farm, did you have a sense that one day you might be a successor to your parents in some way?*

**SM.**

*Not really. I didn't know for sure. I was interested, but when there's nine kids in the family, and eight were boys, and I'm in the bottom half.*

In most cases, both male and female non-farming siblings were not interested in farming and were encouraged by parents to establish themselves in other occupations. Most parents and successors spoke proudly of the accomplishments of all of their children and siblings.

**RM.**

*I have one sister and she's married to a banker, and of course has no interest in the farm at all.*

**RF.**

*Our oldest son never was interested in the farm. He always wanted to be in politics or into the government. He went into law. Our oldest, she's a teacher. [One of our sons] works for a heavy machine company, and [another son] is an assessor for the County.*

**L**

*You said earlier that you have a sister. Was there any interest in the farm on her part?*

**SF.**

*I don't think there's been any. She doesn't really want to come back to the farm, and her husband definitely isn't a farmer. He's a big city person. [My sister's] a missionary. That's what she has enjoyed doing.*

### **Educating the Younger Generation**

Although long-term plans for farm continuity did not exist in these families, parents believed that all of their children could benefit from activities that encouraged

the development of strong leadership and decision making abilities. Thus, all children were provided with informal educational opportunities that began at a very early age. These opportunities paved the way for providing successors with the skills to manage the farm competently, and for their non-farming siblings to establish stable careers for themselves in other occupations.

**SF.**

*You never know what the next generation will do, or the opportunities that will be there. But I think all along, if we can give our children opportunities with leadership and so forth, or give them responsibilities so that they can learn, so that they have to plan ahead a little bit, they can learn some of those skills here that can help them no matter where they go.*

Informal education included activities both inside and outside of the family farm. Participation in 4-H and other community and school organizations, as well as having responsibility for specific farm chores, such as caring for livestock or marketing garden produce to neighbours and friends, taught younger farmers how to interact effectively with others, develop leadership skills, and also allowed them to develop a sense of belonging in the family farm operation.

**RF.**

*They had 4-H animals. [Our daughter] was too small for that. I don't think we had cattle on the yard by the time she was old enough to be an active participant. But with the garden, she was a little entrepreneur in her own right. We just had this agreement, she weeded my garden for me because I didn't really have time and she thought that was the neatest way she could get paid and get a suntan at the same time. Anything over what I needed for my own freezing and canning she sold, and she made very good money some years if we didn't get hail. I would drive her because we never had a farmer's market, but she had these little customers lined up down the way, whether it was cucumbers or potatoes or whatever. And so she had a decision into how big the garden was.*

**RM.**

*They're always involved. It's always important for them because they realize that they're a part of the whole process, so they don't feel like they're the kid in the way. You get them to feel that they're a part of the whole operation. They knew farms, and machinery, and land when they were five years old. They were very active.*

**SF.**

*Being with different clubs and so forth they have to interact with other children, with other young people in leadership roles. Our children are in Boys Brigade and Pioneer Girls. I grew up with 4-H and boy, you know, just the skills for public speaking and those kinds of things were extremely good. You can pass on those skills and they can use them no matter what they do later on.*

**SF.**

*Even now [my two-year old daughter] helps with water jugs. It is teaching her responsibility and learning how to work together. As she gets older, she can do more of the stuff. There's always little things that the kids can do. She's not gonna be one that just sits in the house and, well, this is a farm. I have no part of it.*

For both successor sons and sons-in-law, being involved in other farm operations and off-farm activities prior to assuming the successor role on the family farm was a highly valuable learning experience. Working and interacting with people other than the parent generation taught successors to appreciate alternative ways of thinking and problem-solving, and enhanced the confidence of self and others in their management abilities.

**RM.**

*One son always helped us on the farm every summer during their holidays when they were in university, and then we encouraged the alternate one to work on another farm somewhere so they got experience somewhere else. I think [successor] worked for [a grain farmer] one summer, and [our other son] worked for a dairy farm and a hog farmer. It gives them a better aspect of what the total farming picture is. There's a lot of other livestock and different ways of growing grain, and so I think it helped give them an appreciation for other ways. They got an appreciation for other types of*

*farming than just this one, and for other people not just Mom and Dad all the time.*

**SM.**

*It was actually quite nice to have something that I was involved with other decision-makers other than my Dad, because it gave a certain sense of identity, personal kind of satisfaction without my Dad, to know you're good at something outside of what happens at the farm.*

**SM.**

*Before we came here, I had spent ten years actively farming. So I had lots of experience. I had a bit of a track record and they could say, "Well, I guess the guy has done something there. Maybe he can do something here."*

**SM.**

*I also think some travelling and some wider basis for knowledge are good. I travelled for a winter with my brother and you see lots of different situations, and I guess the more you see, the more you realize that a lot of these things work out because people are diligent.*

Formal education for parents and successors came in the form of post-secondary coursework, as well as the use of seminars, newsletters, consultants, and other experts. In addition, although they have solid backgrounds in agriculture, commerce, business administration, or education, respondents of both generations recognized that learning does not end with the completion of a degree or diploma, but rather must be a life-long endeavour. Thus, when they require specific types of information, farm managers who say they are successful in their farm transfers are not reluctant to seek the help of others.

**RM.**

*I'm not scared to go to the machinery dealer and ask for advice on equipment when I get stumped on something or other. And I'm always in contact with the seed plant in town, you know, areas like that on different varieties of grain and seeding rates. And the District Agriculturalist. I stop in there once in a while. I'm always in contact with buyers and different*



*people in the cattle business, trying to keep up on the latest feeding trends or prices.*

**SM.**

*We always try to get advice, no matter what the area is. If it needs legal advice, we get [a lawyer]. If it needs financial advice, we have an accountant that we can talk to.*

**SM.**

*My hobby is really basically reading farm stuff. You know, because you have to. You have to stay abreast of what's happening.*

### **Sharing Responsibility**

Passing on the family farm successfully required a willingness by the retiring generation to give up a part of the day-to-day responsibilities of the farm operation.

**RM.**

*Sharing responsibility. The elder ones have to be willing to do that, and if they aren't, then it's not gonna work. If the older ones aren't willing to give up part of the power, you're not going anywhere. And unless you come to that point, then it's just going to be a business person with hired help, and that isn't going to work for very long.*

**SM.**

*The other big thing is does the retiring couple wanna retire? I know families in our neighbourhood that the elder statesman does not want to retire yet, and it's gonna be the grandkids that buy the farm, not the son. And that becomes tough.*

**SM.**

*I think it's really important that you don't treat that next guy just as a hired man. It takes time, but I think it's really important that you start letting that guy have some reins.*

For most families, sharing responsibility was a process that began once farming had been established as the successor's career choice, and continued gradually over a period of between 10 and 15 years. In families where the elder male had died unexpectedly, the successor assumed total control for running the farm within a

period of two to three years. In all cases, the older generation had definite plans for when they would retire. The age at which parents planned to retire ranged from their mid-50s to mid-60s. Successors were well aware of their parents' intentions, and understood that the transfer would not be complete for many years.

**SM.**

*Well, right now, I would say that I would like to farm with him and the other son too, if we can, for ten years. I'll be 45 next month so that'll bring me to 55. Isn't that Freedom 55? But I'd like to farm as a full-time farmer for at least another ten years. I can see us working together for another 10 or 15 years.*

**RM.**

*This probably all took place over several years anyhow.*

**SM.**

*It takes time. Everything takes time, and we as young people that just get married have to have it happen so quick you know. And that's not how life is. Life, in actual fact, takes time.*

**SF.**

*If you expect that you can have this all done within a year, and you will be in control, you'll be off of there so fast you won't know you were even there.*

Once the formal transfer process had begun, most families managed the sharing of responsibilities by identifying an area in which successors were highly skilled, and could establish their niche. This was seen as a particularly useful way to bring in-laws into the family enterprise, and help them to develop a sense of belonging, and to establish a place for each son when there was more than one successor in the family.

**RM.**

*He doesn't know everything yet. But it's amazing. He knows a lot more stuff than I do on the technical, and the computer stuff, where I'm not fluent in that area at all. So I'm hoping that, between my experience and his head knowledge, we can try and make it work.*

**SM.**

*[My wife] was almost a literate accountant, which my Mom thought was a godsend from heaven, as she did the books and hated it. So that was quite wonderful that [my wife] could come in and do the books.*

**I**

*So do you think that's a critical issue, for [an in-law] to have something that you can sink your teeth into?*

**SF.**

*Yeah. 'Cause how can you say I'm part of the farm if all you do is...you're in the house and have your little place, you know. You're not really a part of the farm business then.*

Sharing responsibility between the retiring and successor generations did not just involve the physical labour of the farm operation. Practical experience in decision-making by the younger generation was critical to achieving a successful transfer of the family farm. For some families, involving all children in making farm decisions such as whether to expand certain parts of the farm operation, was a conscious effort that began when younger farmers were around 12 years of age. For other families, where there was only one son who worked closely with his father, the successor's participation in decision-making was a gradual process that increased as he became more active in the farm over time. Families with higher incomes also recognized that they were advantaged in that they were able to afford hired help. This allowed successors to take a much more active role in management activities because they did not have to be responsible for many of the physical tasks of the farm operation.

**RM.**

*When they're involved with the work, by the time they're 16 they understand what's going on, so why not involve them in the decisions?*

**L**

*So this is a conscious decision in letting him take over more of the decision making, and you backing out?*

**RM.**

*Oh, it has to be. Because, otherwise, I would just keep doing it, and he would sort of just be looking over my shoulder all the time. And that is just not our philosophy.*

**L**

*Was there a conscious decision on your Dad's part to train you in some of the decision? How did you learn to do that?*

**RM.**

*I don't think there's a conscious decision. It's just the way it evolves. You kinda start to think the same after a while, I guess.*

**RM.**

*Back at the farm, we always had hired help. Always two or three men. So I just never did too much actual field work. It was kinda, more or less, kind of managing a certain amount. With hired help around that much, the boys, they don't live a very ordinary farm life.*

In all cases, the early sharing of decision-making between the retiring and successor generations was a cooperative endeavour in which parents worked through situations together with their children, either in making the actual decision or by assigning certain areas for the successor to research. Parents were then available for feedback once the successor had decided what he believed would be the most appropriate course of action.

**SM.**

*Once I took part ownership of the business, then I started getting into more of the areas, and I sort of worked on one area at a time. I'd phone up all the people, get all the information. Then I'd come back to Dad and say, "Here's what I think," and then we'd sort of make the decision together.*

**SM.**

*I can remember doing [decision-making], not when I was real young, but over the past five years, just by working together. We'd discuss what would be the best thing to grown. Two heads are better than one, I guess.*

When assisting successors to become skilled decision-makers, the value of money and the ability to make sound financial decisions were of particular importance. Teaching children to be financially accountable was a lesson that began early in life and continued into adulthood. As part of a gradual transition, successors were encouraged to take responsibility for a very specific area of the farm. As with other types of decision-making, this allowed them to practice making financial choices under the watchful eye of the older generation.

**RM.**

*He [son] was instrumental in building the larger [livestock] operation. And it was quite a big financial deal.*

**SF.**

*He gave you some responsibility. You took that over and did well, and then he would give you more and more until finally, I mean, he doesn't care a hoot now. As far as [financial] management decisions, we're basically on our own now, and it doesn't bother [Dad] and he doesn't even ask questions anymore.*

For some families, sharing financial responsibility with successors also meant that they had to work for their own money, either as paid employees of the farm business or by earning a profit from their farming activities. This not only encouraged an appreciation for the economic aspect of farm management, it also provided an incentive for working hard and doing well.

**RM.**

*We never have given the kids an allowance. You get a wage for over and above expected chores. And out of that you pay for your toys, and your education, and your fooling around. They started saving when they were little kids. It's taught them that they had a responsibility, and they were responsible for their own financial planning, and I think it gave them the desire to be involved, as well, because they could always see the benefits*

*directly in their own bank accounts. They could see the benefit of helping out, and so they had their rewards. And we all work better for rewards.*

**SM.**

*They didn't give us just money for doing whatever. They gave us a job and they paid us. So I think it helped build responsibility, even at 10 years old. It builds a value of possessions. It builds a value of other people's property. I think it's a real positive experience.*

**SM.**

*[Dad] doubled the land base back home once, and he says, "I never received a wage from my Dad, and I'm not paying you any money. You farm that quarter and if you make money off it, you make money off it. I've got your labour. You've got my machinery." And I think it taught us to be accountable for what was happening. Not just that monthly little cash donation that really doesn't amount to anything.*

Successors appreciated the experience and knowledge that their parents had acquired over the years. They recognized them as valuable resources who also provided a sense of security both while successors were in the early learning stages of their farming careers, and later when they were well established as the new farm managers. Thus, when important decisions need to be made, this pattern of consultation between older and younger generations continues for some families, even though parents are long retired and have left the farm.

**RM.**

*[My son and daughter-in-law] also recognize that we have built the place up, and that we do have a lot of background in how we make a decision. So I think they respect us for that knowledge, and how we would operate. And they do allow us maybe the final word in a decision too, if there would be an ultimate dispute type thing.*

**RM.**

*After he talks to me, he usually does his own decisions there, and that's the way it should be.*



**RF.**

*You talk a lot of things over still, you know.*

**SM.**

*I tried to take on as much as I could, and if I couldn't do it, then we had [Dad] still to do it.*

Discussions with respondents also revealed that the way decisions and work in the farm operation are shared between husbands and wives is important to the farm transfer. While in some families women and men were both actively involved in the management decisions and work of the farm, others preferred traditional patterns with clearly segregated roles and responsibilities between spouses.

**RM.**

*I leave the household stuff to her and I don't get involved with that, and she doesn't ask what I'm gonna be seeding on the next field.*

**RF.**

*I worked outside all day until [the kids] came home from school, and I worked the evening shift again. I enjoyed working with [my husband]. I enjoyed the challenge. He was patient enough that he taught me where to do whatever, and where to stay out of. This last year we traded both the older combines off and upgraded. So between [husband and son], they could pretty well handle harvest and I was a little lonesome for the machinery and the field. It's hard to admit that they can handle it without you. It's a little bit of ego or pride or whatever. I do my grandmother thing and look after the grandchildren while they're in the barns, but you sort of feel left out.*

The significance of women's involvement in the farm business, or lack thereof, for the farm transfer became apparent in families that experienced the unexpected death of the elder male. When older generation women are left with the formidable task of managing a farm operation in which they have absolutely no knowledge or previous experience in any area, making decisions about the transfer is even more difficult. One successor son explained that, despite having himself and some brothers to help, his

mother's lack of knowledge made the transition from strictly domestic responsibilities, to being responsible for overseeing the transfer, an extremely trying time for her.

**SM.**

*[Mom] didn't want any of [the farm decision]. Dad made all the decisions on the farm when he was here. Mom looked after the house and the kids. Mom always said, "If you ever get married, don't do that." He did have a will and everything, but everything was just left to Mom to decide. So, basically it was up to her how to transfer the farm, and I think that was the hardest thing for her, you know. She was really lost when Dad passed away.*

Ownership is the last area to be completed in the farm transfer. For some families, complete legal transfer of the farm property will not occur until later in life, or upon the deaths of the older generation, because it is needed to provide rental income during their retirement years. However, a partial sharing of ownership occurred in all families, and enhanced the successors' sense of belonging in the farm operation. Once parents were satisfied that successors were going to stay on the farm, all families, with the exception of those that had just begun the formal transfer process, had transferred at least part ownership fairly early.

**I.**

*How long has it been since you folks have been off the farm completely?*

**RM.**

*About 18 years. It's only about four or five years ago that he has all the shares of the farm now.*

**SM.**

*If there's no ownership, there's no interest. So Dad wanted me to get in ownership right away. I probably never would have come in without ownership.*

SF.

*We also rent some from them yet.*

SF.

*I'm so glad that [my husband] feels now that this is his farm. He can call it his farm you know. Now I think, because my Dad didn't own any of the land until about the same time we got married, that he never called it his farm. It was my Grandpa's farm. He would sometimes call it my Mom's farm. But I never felt that he had that sense of ownership for himself.*

The entire legal transfer of the farm did not have to occur for family members to consider the transfer process complete. Parents believed the process was, or would be finished, when they were totally out of decision-making and no longer relied on the profits of the farm business for income. For successors, the transfer was deemed to be finished when they were responsible for most or all of the decisions, and when they were in a position to carry on a viable operation with the assets they did own.

L

*How do you know when the transfer will be finished? It is about ownership? When you own it all, you'll be finished?*

SM.

*No, it will be before total ownership happens. I guess as much as anything, when most or nearly all of the decisions are made by me.*

SM.

*Oh, I think it's been completed, yeah. Like they're not interested in getting it back. We've farmed here now for 17 years, and we still don't own all the land. We own all the equipment. We do own all the livestock and the assets, but there's still land to be changed. But that's okay. We are now a viable operation the way we are.*

### Giving Space

SF.

*If you need space, tell them honestly, "I need a little bit of space." [My husband's] folks were very gracious enough to give us space when we needed it.*

For the retiring generation, letting go of the family home was an important part of relinquishing control of the farm operation, and allowing successors the space they needed to establish their independence. In families where the transfer was considered complete, parents retired to a home in the nearest town. In families where parents and successors were still farming together, the older generation purchased another home nearby. In families that were just in the beginning stages of the transfer process, both retiring and successor generations agreed that the older generation would eventually leave the homestead.

**L.**

*Do you think you'll stay here in this house, or will you move somewhere else [after retirement]?*

**RM.**

*Oh, for sure we'll move, yeah. I can't see us staying here.*

**RF.**

*I had said to [my husband], "You know, if the kids want to come to the farm, we're the one to move," and he said "Why do you say that?" and I said, "I just have this gut feeling."*

**SM.**

*[My mother] purchased a house in town, and she stays there.*

In families where the successor was married, the reasons for parents' letting go of the family home were practical. If successors were going to be responsible for managing the farm operation, they needed to be where the work was being done. This realization usually came early in the successor's marriage after a frustrating period spent commuting between the farm and his new home.

**RM.**

*Well, that's part of the thing in getting involved. If he's going to be involved, then he should be where the chores are. And that's where the chores are.*

**RM.**

*We rented a house from a neighbour the first year and half we were here. Just a mile away. And that wasn't working out that great, and they could see that. And so then they just decided, well, they're gonna eventually take it over anyway. They just realized "We might as well move, rather than having the kids live in town and drive out." So they moved to town.*

**SF.**

*We were trying to figure out ways--if there was a house in the community that we could maybe rent, or if we could somehow get a house trailer on the site, and make it easier for [my husband] to be a part of the farm, and to start taking over the farm. 'Cause you can't make any management decisions if you're living [in town] and driving to the farm.*

In addition, the younger generation, including spouses of successors, needed to establish a strong sense of identity and autonomy as the new farm managers. Parents recognized that this was difficult to do if they lived too close to their children, or if the successors did not live on the farm.

**RM.**

*I think quite often, if there's two of you on the farm, that's a recipe for trouble in a lot of cases.*

**RF.**

*There's a lady who writes in Grain News. She had said, "The only way that you should have a two-generation farm is if there's two rows of trees and a bale pile between the houses."*

**RF.**

*[My husband] figured that if we stayed in the big house, and kept on living there, that [he] would still be boss. You know, people would come to him and say, "Well now, what shall we do today?" or be asking. And we thought that wasn't fair to [successor son], you know. He lived in the other house. He was married then, and so we decided that we should move out.*

**SM.**

*It would be pretty hard for [my wife], living in town, to know if she wanted to be a farmer, if she sent me off in the morning and welcomed me home at night. I mean, that's not being a farmer. It's being married to a farmer. So then they moved off and we moved on, and I think it really helped us to*

*solidify our desire to farm, helped [my wife] become more involved in the work, and she became a farmer too.*

Relinquishing responsibility and ties to the farm was difficult for some of the elder family members. Developing new interests or renewing old ones prior to leaving the farm, gradually reducing one's involvement, and having supportive successors who made their parents feel welcome to visit anytime helped to make the transition to retirement a smooth one for the retiring generation.

**RM.**

*You wanna stay involved. I think it's too hard on these guys that have a farm sale and walk away from the farm, and the machinery, and everything, and move to town the next day. It's too hard on a person. You know, you've done that all your life. It's in your blood. I think it's best if you can slowly get away from it and say, "Well, I don't feel like going out there today, so I won't."*

**RF.**

*Now [my husband] can just coast out there and see what's going on, and come home and have coffee, or whatever. I've been involved in lots of things and travelled a lot volunteering.*

**SM.**

*Mom's more retired every year. She's going back to the things she loves...sewing, canning, church responsibilities. And so she just busies her life with other jobs. I don't think [my father] is gonna be a guy that wants to farm 'til he's 75 just because he doesn't know what to do when he's at home. He has other hobbies and interests and stuff too.*

**SM.**

*My mother's - probably more busy than when she was on the farm. She volunteers for every organization right now.*

**SM.**

*It's really tough for the older generation to have the power and authority, and the know-how obviously to carry the farm on, and then try to let that go. You have to be willing to be patient. Because it's difficult for them. It's really difficult for them. And it takes tons of patience.*



**SM.**

*Mom or Dad are welcome to drive in the yard anytime. This is an open yard. And if you wanna come back to the farm, you come back to the farm and look around, or clean up, or whatever you see, or whatever you wanna do. And I think that that's important for them.*

**Planning for the Transfer**

All of the respondents in this study considered themselves to be successful in negotiating their farm transfers. All had visions of what success means to them, and what factors they believed were most critical in achieving their vision for success. Interestingly, respondents did not concur about the place of planning in achieving success in the transfer of their family farms.

**RM.**

*I'm hoping everything will just fall into place. We haven't made any real plans yet other than we've got something set aside for somebody for a cash deal, but, that's pretty far out yet.*

**RF.**

*You've got to know where you're going yourself as the senior partners in the farm.*

Planning largely encompassed preparing for the transfer of assets through estate and business plans. Despite all respondents' emphasis that their family was the most important part of their vision for their farm transfers, only one family mentioned that they had engaged in activities and goal setting that are characteristic of a family plan.

**RM.**

*I think all through our married lives we have sat down once or twice a year and asked is this where we wanna go or isn't it? Do we want to farm all our lives, or until we're 60 and then do something else? Is that a goal or isn't it? So I think all along we've sat down by ourselves, and then with our kids, and discussed what our goals are in total and separately, because, you know, you can sort of fly by the seat of your pants, but if you don't know which direction you wanna go, it makes it rather hard to go.*

**L.**

*Can you share any goals that you might have as an individual, or together as a family? Is that something you do?*

**RM.**

*Actually, no, we don't really have goals. I think maybe it's something that we are lacking in. Maybe we should be sitting down more as a family and talking about goals, you know, where do we wanna be five years from now? But we aren't, we haven't. We're just kinda taking it as it comes, you know. Right now, the goal is to get the crop in and get it off this fall. That's as far ahead as we have for goals.*

**RM.**

*We're just talking acres here say for now, we're just doing as much as we possibly can with the amount of machinery that we have. Goals could mean, do we wanna farm five thousand acres in five years from now, or do we want to be moved off of here five years from now? We don't really have any goals like that. We knew that this land was gonna come up two years ago, the lease would run out on the land. Somebody else had it. So we started planning to say, "Well, hey, [successor] will be out of Olds that spring. Maybe we should try to rent that." It's my aunt's land anyway. It's in the family kind of. So we agreed two years ago to take a run at farming these extra three quarters that we took on. Maybe that was a goal.*

Families that did complete plans developed them at different stages in the transfer process. Some families took a proactive approach and viewed a formally recognized plan as critical prior to beginning the formal transfer process. For others, written estate plans were developed in the final years of the transfer when parents' retirement or the transfer of assets became of greater concern. Those without formal plans play out their farm transfers in a reactive way.

**RF.**

*We had done the investigation for just about a year.*

**SM.**

*We had the plan set out before we went ahead with it.*

**SF.**

*I think estate planning especially, I mean, for my parents right now, it is really big because they're 75, around that age, and obviously you have to have things sort of thought out.*

**SM.**

*A little better than a year ago we started working to set up [an estate] plan for us. Everybody said wait 'till you're older. Well, Mom probably wishes they had something planned before dad passed away.*

**I.**

*So is your own retirement something that you've thought about, that you've planned for in any way?*

**SM.**

*No, not really. No.*

**I.**

*Do you think you will eventually make a plan?*

**SM.**

*Yeah, but I probably feel the same way my father did. I'm only 35, 36. It's too early to think about it.*

**RM.**

*Well, that's the way we'll just kinda go, is play it by ear. Someday we'll have to make a decision on it, but until it's a little more clear cut as to which direction we're going, we're not going to make any plans. It's further down the road and I can't say when, except that I know it'll eventually come. It depends on how involved the boys get with the farm, how soon they get involved. If the right piece of property comes up for sale that we can afford to buy, well that could easily answer one of the questions. So, right now we kinda go year by year. There's no time squeeze. We're not pressed into anything yet. We're pretty flexible. Both boys are single.*

**I.**

*Do you see things changing if they get married in the next five to ten years?*

**RM.**

*Well, that will start to put pressure on us. A little bit of a tax squeeze becomes involved then.*

When estate and business plans were developed, families recognized when they needed assistance and drew on a variety of resources including farm transfer seminars, publications, and professional consultants.

**RM.**

*We realized after a while that maybe we should do it with some outside help to help us focus on what we wanted at the end and how to get there. I think probably one benefit was all those farm transfer and estate planning seminars and such that we went to over the years so that we've had time to sort of think about this in advance, of five or ten years in advance. They put on seminars through Alberta Agriculture a couple of times on farm transfers. You go there and then also there's literature put out and there's a video put out by Alberta Agriculture too on estate planning and farm transfers. There's no one in particular that fits your farm because every farm's different. So you take a little bit from this and a little bit from this, and then you talk to people that have transferred as well. So it's a lot of everything that you do to try and make sure it works for you.*

**SM.**

*We had a consultant. They did the plan. Then my brother went through it and he hired them to help to sort of get his estate planning done and start thinking about it for himself.*

### **Getting Along**

**L**

*Can you identify any things that you think might have made the transfer go easy for you?*

**RM.**

*I think the biggest thing was that I was able to get along so well with my father.*

The second major theme that encompasses the critical factors that lead to success in a family farm transfer is 'Getting Along.' Respondents described three main sub-categories that influenced their families' ability to get along. These categories are Developing the Family's Values, Encountering Rocky Times, and Communicating.

### **Developing the Family's Values**

Respondents described 'getting along' as a life-long endeavour that is rooted in the values that family members share. The values that promote the ability to get along

and, correspondingly, to transfer a family farm business successfully were honesty, love, appreciation, and respect for the other members of one's family.

**I.**

*Getting along. What does that mean to you?*

**RM.**

*Being honest with each other. Loving each other. I think it has to start way back, you know. You have to be getting along from when the kids are little. You can't do it the year that you're gonna make the transfer, "Now we're gonna get along this year." That just doesn't work. It has to be something that you've worked on for years.*

**RM.**

*We really appreciate our kids.*

**SM.**

*I guess it's helping each other with each other's goals, treating what we have, both personally and together, with respect. I guess, more importantly, is that we respect each other's opinion, and we realize that it impacts our total relationship. If you can't respect a person, I don't know how you can really work in a relationship like this without it.*

Shared values of honesty, love, appreciation, and respect get played out through the dynamics of interpersonal relationships, both within family members' roles in the business and within the family. Families worked at promoting feelings of togetherness and showing an interest in each other's lives. Close family relationships also were fostered by family members' willingness to try to work together in a supportive atmosphere. For some families, taking time away from the work of the farm to participate in leisure activities with both farming and non-farming family members was also important in developing the family's values.

**RM.**

*It was our philosophy that we work together and play together. So we'd work on the farm, and then we'd go skiing together, and go swimming, and whatever.*

**RF.**

*Everybody comes home and then we go to the lake. So they're all together.*

**RF.**

*I see with my daughter, we've probably got more of a friendship than a mother-daughter relationship. With my daughters-in-law, I'm hoping that they're starting to see me more than just a mother-in-law.*

**SM.**

*You build a relationship, and a familiarity, and a warmth just in working together. It helps to do that.*

The willingness to nurture strong family ties through honesty, love, appreciation, and respect was influenced by the older generation's awareness of the difficulties that other farm families have encountered, and by the knowledge that parents and successors need each other to make the farm operation work. Others also were motivated by a desire to see the continuation of a farm that had been in the family for many years.

**RF.**

*Some families I see we're similar because we see that they work with their children and play with their children, and make it a whole family involvement. We see other farm families where the kids are not encouraged to be actively involved, except when it's sort of chore time. And then years down the road, we find that those offspring have no desire to be on the farm, or even come home and help Dad in a crisis and, you know, we've seen that over the last 25 years.*

**SF.**

*Being that our children are the fifth generation here, you've got that sense of generation too, and you want to make things work.*

### **Encountering Rocky Times**

**SM.**

*Dad and [my brother] had a rocky time a while back. At that point I don't think that either of them wanted to farm with each other.*



Despite concerted efforts to get along, in any business where the employees are also kin the potential exists for tension and disagreement. Families who say they transfer their farm operations successfully are no exception. The most commonly reported tensions in the transfer process arose during daughters'-in-law and sons'-in-law early years on the farm. For successor daughters-in-law, making the transition to life on a farm involved many stressful changes in a short period of time.

**RM.**

*It was a mighty change in lifestyle for her.*

**RM.**

*It seemed like [my wife] adjusted really well, but now afterwards she tells me, "You know, those were pretty tough years. I left my mother. I moved to Canada, and I was pregnant. It was one thing after the other, all in one year." So it was a tough adjustment for her.*

**RF.**

*She was lonely for her friends. My friends were too old for her.*

**SF.**

*I think it was in the first year. There [were] a lot of changes for me in learning how to be a farm wife. Learning what's expected. Basically, I didn't know anything when I got married. I had to learn to cook, all those basic things. My mother-in-law is quite an amazing woman. She can do everything. From driving combine to tractor to gardening to canning. You name it, she can do it. And, for me, it was a lot of pressure thinking I had to be just as good as her. And until I realized that I didn't have to be, it caused a lot of stress.*

While leaving friends, family, and the comforts of an urban lifestyle were stressful, for some daughters-in-law the adjustment to life on the farm was made even more difficult by the financial uncertainty of their new lives. The absence of both a steady income and a clear understanding of the direction they were heading produced a sense of vulnerability. This uneasiness contributed to a gradual breakdown in

communication in their relationships with their fathers-in-law. In contrast, the ready availability of financial resources made the transition to farm life much easier for daughters-in-law who married in to wealthier farm families.

**L.**

*Was there anything that you folks did to help her make the adjustment?*

**RM.**

*There was money. They didn't have to scrimp or anything, you know.*

**SF.**

*I think the biggest stress factor in all of it is I felt like [my husband] and myself and [his parents] didn't have common goals for the farm, financially not common goals where we wanted the farm to go. And it was very stressful to think, "Well, what's gonna happen if we can't make it here? Where's our future?" And, coming from the city and having a steady job, to have something not steady is very stressful. And that's, I think, where the problems occurred, and we just didn't talk about them well, myself and my father-in-law.*

For men who were farming with their wives' parents, not being readily accepted as an active and knowledgeable member of the farm operation was a major point of contention, particularly when they had previous farming experience.

**SM.**

*They'd had hired help on this farm for many years and I came in, and was kind of the hired man in a way. And it was, I think, being treated a little bit more like a hired man than I'm accustomed to where I came from where I was one of the guys. I think that was it, because then the decision-making never came from the hired man. It never does. I think it's a bit of an apprenticeship for the son-in-law, I guess.*

The difficulties that developed between parents and in-laws were not strictly a function of the younger generation's discontent. During the early years of the successor's marriage, retiring family members were apprehensive that the younger generation might leave the farm because of the escalating tension, or that the

successor's marriage would end, thereby placing them in a financially vulnerable situation. Their response was a reluctance to proceed with the transfer until they were satisfied that their concerns were unfounded.

**RM.**

*It's also the daughter-in-law that will make a partnership or a company not work in the transfer. And so that's why we had to make sure that [daughter-in-law] was on side all the time, because if she wasn't happy, there was no way [son] was going to be happy. Even if this is what he wanted.*

**SM.**

*I think they had doubts. And, you know, there's lots of examples wherever you are where it hasn't worked out. And the thing they didn't want, I think, was to let me [son-in-law] have legal right to a fair bit of this, and then have him split, and then all the problems that come with that.*

Disputes between retiring family members and successor in-laws were complicated further when the successor's spouse was caught in the middle between his or her parent and husband or wife.

**SM.**

*Dad kept asking me, "Does [my wife] really wanna be here?" and I'd say, "Yes," and I'm not sure if he believed it. And [my wife] would ask me if he really wants to kick us off, and I'd say, "No," and I don't know if she really believed it.*

**SM.**

*It makes it really tough on the daughter and the daughter better appreciate that before you go into these things, because, you know, Mom and Dad want to talk to her and her husband wants to talk to her. You get pulled three ways sometimes.*

Single successors who had siblings who were also farming reported some dissension with those siblings. Disputes here stemmed from disagreements over farming practices and, as with families where there were in-laws, occurred early in the

transfer process. As the transfer progressed, and each sibling established his own farm career and own space, they were able to work in a more cooperative way.

**SM.**

*We had a little friction between [my brother] and me. In my eyes it seemed like he didn't do anything wrong, but everybody else did. But over the summer and winter we finally came to. Now we have our own land, our own cattle, but we share machinery. The big stuff we share together and we work [together]. We combine together and that...*

When a successor was not married yet, and had siblings who were also interested in farming but were away at school, no serious disagreements had occurred among family members. However, the successor at home expressed some unease with the idea of farming with his brother in the future. Here too, establishing one's own place and sense of ownership in the farm operation was preferred.

**SM.**

*I think I'd rather have my own equipment and my own land, and he can have his, and I can help him out. I could farm it for him in return for he could feed my cattle or something.*

### **Communicating**

The most important method of getting along, and the solution to resolving tensions, came with family members' recognition that the transfer would not be successful if they were unable to communicate effectively. Effective communication meant that all family members were honest and open about their feelings, that they were clear about what each other was saying, and that they talked on a regular basis.

**RM.**

*To start with, you had to make sure everyone was saying what they meant, and understanding what you meant.*

**RF.**

*We sort of keep an open telephone line, or talk several times a day, or at certain times in the week or month depending on how active the farming is at that time. We just sit down one evening and talk. Have supper together and talk.*

**SF.**

*We started out with trying to have meetings quite regularly, so that we could just keep on top of any problems or work things through.*

When feelings of dissension escalated between the retiring and successor generations, a male family member took the initiative to resolve the situation. Sometimes this person was the father, and sometimes it was the son-in-law. In these cases, working through difficulties began as a very direct and deliberate attempt to get people talking.

**RM.**

*For our benefit, we had to know. You've gotta get quite direct at this point because it's dollars at stake too.*

**SM.**

*I basically laid down the law and said, "You know, there has to be some apologies made here, or there's gonna be some major changes."*

Part of the impetus to settle disputes was that the younger generation had viable alternatives to farming with their parents. The opportunity to farm elsewhere, or having the ability to work at other careers, meant that successors could leave the farm, thereby threatening the financial well-being of the older generation and their ability to retire. The older generation's awareness of this fact may have strengthened their willingness to communicate honestly and resolve tensions early in the transfer process.

**RM.**

*You've got to have four people that are committed to working together if you're going to make it work. Sorta like a marriage. If you aren't committed, let's part and be friends and get on with life. So we were always encouraging 'em to be totally honest. If you weren't really wanting to do this, then say so now before we get deeper. 'Cause every step you make, it gets a little harder to break it off.*

**SM.**

*And in the back of my mind always is, "I left a viable operation back where I came from. Do I need all the pressures and headache of running the edge here? We maybe had an out, and that maybe helped.*

**SF.**

*That really made [my father-in-law] nervous, that we would actually pick up and leave. What's he gonna do with the second house he just bought, and this house, and the land. So it was very tense.*

**SM.**

*Yeah, at that point too, if they fix up the acreage, they can't sell it for what they put into it, you know. Which doesn't make anyone happy.*

Establishing effective patterns of communication was a learning process in which family members had to acknowledge, accept, and adjust to the strengths and weaknesses of one other. For daughters-in-law who had to contend with the pressures of having no farming background, in addition to being new to the family, speaking openly and honestly was initially an intimidating experience. Members of the retiring generation worked through these issues by encouraging the younger farm woman to take part in family discussions about the farm, and by assuring her that her opinions were wanted and respected.

**RM.**

*We didn't realise how much we were a communicative family until we brought in-laws in, and they weren't used to that process.*



**L.**

*So how did you help her through that then, if that was something that was difficult for her?*

**RF.**

*Sometimes we encouraged. Sometimes we just asked her to say her viewpoint. I think she grew in to it after she realised that we respected her answer. You really have to work at the beginning to encourage them to talk.*

In other families, insecurities were not limited to successors-in-law. For some parents, the prospect of establishing open and honest communication with the younger generation was accompanied by the fear of having their authority questioned, or having to change in some way.

**RM.**

*My Dad, he treated me very fairly and all, no regrets or anything. But I can see where he was more stubborn than I was. He usually had good ways about him, but it was tough for him to see me make a change he didn't really agree with.*

**SM.**

*I think this is often the case that the next generation wants to have [meetings] regularly and fairly often to keep above all the possible problems that might arise. But the other generation sees that almost as threatening. You know, like "What are they gonna come up with now?"*

**SF.**

*My dad is used to doing his own thing. And not taking questioning or anything very well. And so I know that.*

Letting go of things that don't really matter, giving in occasionally to keep the peace, forming coalitions with other family members, and making a genuine effort to be patient, considerate, and forgiving were all approaches that helped respondents negotiate their early challenges. Moreover, they recognised that efforts to

communicate effectively are important, not just when difficulties arise, but on a continuing basis.

**RM.**

*Being willing to give and take, I think, is the key to it. Trying to be too stubborn and too obnoxious, you know, you'll just run into trouble.*

**RM.**

*We didn't always agree, but probably a lot of times, maybe more times than I would have liked to, I was the one that pulled in and said, "Okay, we'll do it your way this time then." Even though it was kinda my farm by then.*

**RF.**

*If we do have a little argument, it's something that doesn't last forever.*

**SM.**

*I figure if it's not big enough to put up your protest vote in a real strong manner, it's better to forget about it.*

**SM.**

*Keep communication with the whole family. If no one's interested, and they don't care, at least give them the opportunity to be involved in it.*

**SM.**

*It takes tons of patience on all parts, you know. And a willingness to make it work.*

**SF.**

*Keep talking to the in-laws, no matter how much you don't want to. It's very important, because if those things start building up, it's gonna hurt your husband, it's gonna hurt you, it's gonna hurt the in-laws. Everything. And it's just not worth it. Keep talking.*

**SF.**

*We were willing to back down sometimes until it cooled a bit, and then try it from a different angle another time, rather than just push on and keep our nose to the grindstone, and make it worse.*

**SF.**

*Mom and I sometimes talked at the very beginning, you know, if something hadn't gone well. We were sort of the middle people. So then we would talk and then come back, and she might share with Dad, and I might share with [husband/son-in-law].*

### **Handling Financial Issues**

**RM.**

*Farming is not a little business. If you're trying to make a living at it, it's very expensive.*

A key factor in negotiating the farm transfer process successfully is the managing of economic resources. Two main critical success factors emerged in respondents' discussions about handling financial issues related to the transfer of their family farm businesses. These factors are Buying In and Cashing Out and Being Fair.

### **Buying In and Cashing Out**

Parents and successors encountered a number of financial issues. The majority of these centred around the availability of monetary resources and land. In all but extremely well-off families, the ability to secure sufficient income so parents could retire was dependent upon the ability of successors to purchase the farm land, livestock, and equipment without the younger generation incurring excessive debt.

**RM.**

*Dad had enough money that I didn't have to pay him cash outright.*

**SM.**

*I wanted to be able to buy into the farm, into the machinery, into the quota, and there was not enough money around to be able to do that.*

**SM.**

*It's hard for anybody to start out farming from scratch. It pretty near has to be in the family. Otherwise, if you take on too much debt, you can't really make it.*

**SM.**

*The biggest thing, maybe not as hard on me but on my mother, was to make the decisions about how to roll everything over so that we can make it viable. Keep the family farm. Because, financially, I couldn't go out and borrow the money to buy the whole farm so she could retire. And she can't give it to me.*

**SF.**

*How do we buy the farm was the issue. It's a lot of money, and when you're just starting out, that's the last thing you have.*

To avoid an excessive loss of financial resources when transferring farm assets, families developed a taxation plan, capitalized on opportunities in tax law changes when they occurred, and carefully monitored expenditures to sustain the profitability of the farm operation.

**RM.**

*One of the biggest hang-ups was how to get out of the machinery aspect of the farming without incurring a whole lot of income tax.*

**RM.**

*The fellows down in Ottawa started rattling the idea around that maybe we're going to take away the \$500,000.00 capital gains exemption. So we figured, well, let's crystallise that*

**RM.**

*He was the one that watched his pennies pretty close, and that's probably why we have the kind of lifestyle we have today. It's because he was a saver. He wasn't a spender. Maybe I spent a little more money than he would have liked, but I think it was something you had to do to keep up in those days. 'Cause I've seen too many farms where they just kept going with that old stuff until you got so far behind you couldn't catch up.*

**RF.**

*They had to think about the ramifications of doing this, you know. Taxation and all those various things.*

Getting successors started in farming, establishing a secure land base so as not to place the younger generation in a vulnerable situation if something happened to

parents, and acquiring sufficient land when there was more than one potential successor were also issues that all but the wealthiest of families had to address.

**SM.**

*We don't have enough land to support me and my brother.*

**SM.**

*The last year I started [college] in September, I was feeling I was gonna farm, but I didn't know how I'd be back. Another neighbour had a quarter. I was gonna buy a half from Mom, and when this quarter came up she said, "Well, grab that."*

**SM.**

*I don't think they'd ever thought this angle, but I said, "Well, if something happens to you and we don't get this land, we don't have a viable land base. The banker won't even look at me and say, "You're viable." And so we're pretty vulnerable for a stretch in there.*

**SF.**

*Something scary for me was wondering what would happen if [my husband's parents] died. Would we lose the farm? Would a third go to [husband's sister] and a third go to [husband's brother]? And how do we make it on a third? You've worked so hard, and then all of a sudden if there's an accident and they're gone. I mean, we could be in trouble then.*

For most families, getting successors started in farming, and establishing a viable land base was a gradual transition. Younger farmers began farming seriously by renting land from parents or elsewhere to generate income which, in turn, was used to purchase the family farm slowly over a period of about 10 years. As each quarter was paid in full, parents signed over title to successors.

**RM.**

*The next year I decided [to farm], and I was able to rent some land for myself from another neighbour across the road. So that gave me a start on my own.*

**SM.**

*The hard part is that, even if your Mom and Dad finance it, you can't buy the whole thing at once.*

**SM.**

*When I came home that year [from school], she said instead of being a hired hand, "Start renting, and be more active." Mom offered it to me, instead of working for wages for me to get in to farming.*

Some parents also provided financial assistance to successors to slowly purchase equipment and livestock in exchange for the younger farmer's labour in the family farm operation. This is an approach that worked effectively when some retiring generation respondents began farming with their parents. As a result, they established a similar arrangement with their children. In families that experienced a parent's early death, successors also bought livestock and machinery slowly, but had to borrow money in order to do so.

**RM.**

*My dad loaned us basically the down payment for the machinery.*

**RM.**

*I was using my Dad's machinery to farm this rented land and then I, in turn, was working for him.*

**RM.**

*He wants to get into cows, and so I've bought a few cows for myself. He's got a couple or three of them now. I want him to buy out the cow herd from me, 'cause I'm not that interested in it. But he is. So I said, "That's fine. If you wanna go for it, I'll just own them, and you can just slowly pay for them. And that'll be the way I'll get him into some cattle.*

**I.**

*It sounds to me like it's kind of the same arrangement that you had with your father in many ways.*

**RM.**

*Yeah. I think that's because it went so good with my Dad. That's kind of how we've been trying to make the transition for the boys, too.*



**SM.**

*I basically borrowed and made payments, and bought the cow herd from my mother. The machinery, [my brother] and me sort of bought over the years from her.*

Wealthier families did not have to contend with the issue of needing sufficient income for parents to retire and for successors to purchase the family farm. These were farms that had been in the family for many generations and, as a result, had eliminated debt and accumulated substantial off-farm investments over time. Consequently, parents were able to transfer the entire farm operation to successors without requiring the younger farmer to actually purchase the farm.

**RF.**

*We were fortunate enough that we had our own income. [Successor] hasn't had to pay us out.*

For most families, resolving the issue of how to generate enough retirement income for parents, while at the same time allowing the younger generation to purchase the family farm, began by establishing a fair purchase price for the successor that was based on the needs of each generation, as well as the economic climate of the time. Where parents had enough equity in their operations, they held the mortgage for successors. This served to enhance the overall financial position of each generation by keeping interest charges in the family, and allowed parents to give the younger generation a "break" on the purchase price of the farm.

**RM.**

*The obvious benefit is you don't have to have a bank involved. Even if I did charge him interest, the interest stays in the family. We don't like to pay interest to somebody other than family.*

**SM.**

*We wanted to make sure that I could afford it, as well as they got value for it. So we kind of had to work both ways.*

**SM.**

*Well, you see the hard part is in the transition now because farming is expensive. Neither of us wanted to have any risk of a bank coming in and taking over due to falling grain prices. So Mom and Dad took the mortgage.*

**SM.**

*You have to look at the market price and decide what your parents need to retire, and what you can afford to pay, and go from there. You have to agree on the price, or how you're gonna transfer it. Whether it's gonna be a gift, or whether you're gonna have to pay 'em a lump sum, or they're gonna carry the loan for you.*

**SF.**

*We have bought ourselves our land here. But at, you know, a good price. We've come up with something with Mom and Dad.*

Such arrangements also provided successors with a flexible payment schedule in which payments were made against the principal when money was available, but could be delayed if necessary in times of economic uncertainty. Farm operations in which the transfer was triggered by the unexpected death of a parent were most disadvantaged in that successors required financing through farm credit organizations, such as A.F.S.C.\* As a result, they received no special privileges in interest or payment plans when buying in to the family farm operation.

**RM.**

*If I felt I could spare some extra money, I'd just give him some more money, and it all went against the principal. There was no set schedule of payments, or anything like that.*

\* Agriculture Financial Services Corporation (formerly Agriculture Development Corporation).

**SM.**

*I had a nice loan schedule.*

**SM.**

*I went to A.D.C.\* and borrowed to buy the home quarter. And [my mother] felt, at the time what land was going for, I paid the going rate. I've been farming 15 years. I purchased this land six years ago. The debts don't disappear fast the first six years.*

### **Being Fair**

**RM.**

*I think the biggest difficulty was trying to be fair to the other kids in this whole process.*

The financial challenge of greatest concern to family members was how to be fair to both successors and non-farming children. For the retiring generation, being fair meant that they were able to provide an inheritance for all of their children without creating dissension among them, not burdening the successor with unmanageable financial commitments, or threatening the viability of the farm operation.

**RM.**

*[Successor son] wants everything to be fair, too, but he also doesn't want to be left with a \$500,000 debt payable all of a sudden upon our deaths. And you know that's not fair to him neither.*

**SM.**

*Being fair to the rest. That's the problem, to make it so that we can roll the farm over to [my brother] and me, but at a price we can afford, and still be fair to [the others].*

The key question in being fair was whether each beneficiary should inherit an equal and identical share of their parents' total estate, or whether the retiring generation should provide for all of their children in a manner that, if not equivalent, was at least equitable.

**RM.**

*Well, I guess if we give [successor son] a farm that is worth a million dollars, how do we give each of the other kids a million dollars?*

Parents and successors agreed that treating children equally was not a practical option. To do so would involve division of the land and equipment assets of the farm operation, and such an action would end the successor's farming career because his or her share would not provide a large enough land or machinery base to be profitable.

**RM.**

*I don't think you can give everybody equal. I don't think it's necessary. You've got to look at each circumstance. Each situation.*

**RF.**

*You can't break a farm up, you know, and give everybody a piece.*

**SM.**

*[My mother] was concerned 'cause she had it in her will that those three quarters were to be split up between the family. And she didn't like that because, well, if I lose those three quarters, it probably ends my farming. You know, I could lose my land base. It could be that the rest of the family would rent it back to me, or make a deal, but she basically wanted something settled to be sure that I could hang on to farming those three quarters, but still be fair to the rest of the family.*

In debating the equal versus equitable question, respondents considered whether successors were advantaged or disadvantaged by virtue of taking over the family farm operation. Some respondents voiced concern that a successor might receive an unfair benefit because he or she was able to utilize the retiring generation's farm assets earlier than non-farming children. In contrast, non-farming siblings would have to wait until parents died to receive their inheritance.

**RM.**

*Your market value of the machinery is a lot more than what the depreciated value is, and so if we would have sold it to him at the depreciated value then we would have done a disservice to our other children, because he would have been getting a benefit at this point, whereas they wouldn't be getting that benefit.*

For others, any advantages that successors might gain were considered justifiable in that they had contributed to enhancing the value of the farm operation through their labour and financial input prior to beginning the transfer process. In addition, for lower income farms, the partial purchase of farm assets by successors allowed parents to retire comfortably. In these situations, successors believed that they should receive a benefit above that of their non-farming siblings who had not assisted financially in the retirement of the older generation.

**SM.**

*If you think about it, I've worked here all my life, helped out on the farm. So maybe, I don't know, maybe they would get a little bit less.*

**SM.**

*I was on the farm for four years, renting. I made a lot of improvements before I bought. I built the new barn.*

**SM.**

*I purchased this quarter, the home quarter, from Mom. That gave her enough where she could retire. When I purchased, that gave [my mother] lots to buy a real nice, comfortable home, you know. And she bought a new car.*

Some families worked through the issue of being fair with the use of a consultant, who helped them plan their estate. The final result generally meant providing farm land for the successor, and planning for a fair cash value for non-farming siblings.

**L**

*How do you decide how much is enough?*

**RM.**

*Well, I don't know. I guess it's whatever we can afford. You know, that's about all. Fifteen years ago, when I started financial planning, \$100,000 looked like a lot of money. But right now \$100,000 doesn't even buy you a good tractor. So money's a funny thing. We don't have any real figures in mind. I'd like to say a million dollars, but there's no way we'll do that.*

**RM.**

*I have one sister and, of course, she has no interest in the farm at all. But Dad treated her fairly too. She got her half of whatever when he passed away. He made sure she wasn't neglected.*

**SM.**

*It'd have to be fair. Like an equal dollar amount I guess.*

**SM.**

*It's probably a dollar value, more than anything.*

Respondents adopted a variety of approaches in resolving the issue of being fair.

Purchasing other types of insurance, and having off-farm investments early in the transfer process were the most common ways that families have ensured non-farming children will receive an appropriate cash value from the retiring generation's estates.

**RM.**

*I've already set up some life insurance and some investments for, presumably, my daughter that wouldn't want to be involved in the farm. So that's the way I've taken care of that. There's gonna be some money set aside for her.*

**SM.**

*I took a life insurance policy out to cover the value of the land. I make all the payments on this life insurance policy, on the premiums. And that insurance will go to the rest of the family when my mother passes away.*

Wealthier families in which the farm had been in the family for many years, and which had a large land base and no debt, had the advantage of being able to turn the entire farm operation over to the successor upon the end of the transfer process. In



return for receiving an inheritance early, successors receive no further benefits from the parents' estate, and are not included in their will. In addressing the issue of providing the successor with the considerable advantage of an early inheritance, the retiring generation in well-off families assisted non-farming children in purchasing homes and in paying for the education of grandchildren.

**RM.**

*We've helped them all. None of them ever had to have a mortgage or anything, you know. They all have good homes and are well-established. So we've been very fortunate. [Our son] is a lawyer. He's on a pretty good wage scale and his wife, she teaches. They have two daughters, and the oldest daughter is just finishing high school or just finished grade thirteen. So we expect we'll help them a bit there for university you know. University's a big deal now and it's very expensive.*

**RF.**

*We had to work out the other things that [successor] would understand that this was his share of the estate, you know, and the rest of the things in our will are for the others. He's pretty well out of our will because he's got the farm now.*

A key approach in resolving the issue of being fair, was to keep successors and their siblings fully informed about how their parents' assets are to be divided. In order for there to be no surprises upon the deaths of the retiring generation, all children were given the opportunity to express their concerns throughout the estate planning process. In addition, both farming and non-farming children are named as executors to their parents' estates in some families.

**RM.**

*We may as well keep everybody informed and let them talk between one another now, rather than in 30 years time or whenever we decide to leave this earth.*

**RM.**

*They pretty well know where they stand.*

**RF.**

*Once we found out what avenue would be the best for us to choose and what direction to go, then each one was notified and asked to give dialogue and question at the time.*

**SM.**

*[My siblings'] point was whatever Mom and me decided to do, they would be happy with it. But that's easy until something happens. We went through what we did before we signed and did everything. All the other brothers and sisters saw everything.*

### **Summary**

The purpose of this study was to explore the views of retiring and successor family members who say they have completed, or are currently involved in, the successful transfer of their family farm businesses. The definitions, themes, and subcategories presented above represent the common meanings and critical success factors that characterized respondents' experiences of farm transfer. The definitions represent the vision or objectives which families aspired to in carrying out their farm transfers. Critical success factors comprise those beliefs and behaviours by which families attempted to fulfill their vision for success.

The following chapter further explores the research findings by comparing the meanings of success and the factors leading to success, with those described in the literature outlined in Chapter Two, to provide a better understanding of successful family farm transfers.

## CHAPTER FIVE

### Discussion and Implications

#### Introduction

The issue of passing on the family farm is one that has evoked much discussion among family scholars, agricultural economists, extension specialists, farm management professionals, and the members of farm families. Such discussion often takes the position that many farm transfers are transitions that are marked by dissonance that precipitates a crisis situation and, hence, are unsuccessful.

This study considered two main questions that arise from this position. First, on what basis can a transfer be defined as successful or not? Is it simply a matter of the existence or absence of discord within a farm family? Moreover, if so many transfers are unsuccessful, how is it that the family farm has survived through many generations and continues to be a driving force of the agricultural industry in Alberta? Clearly, in passing their farms from one generation to the next, some families must have achieved success to some extent. The second major question that I have attempted to resolve through this research, then, is how the intergenerational transfer of a farm business occurs successfully in some families.

This chapter continues to explore these main research questions by considering the key findings of the study relative to the current understandings of farm transfers that are presented in chapter two. Implications of the research findings for informing programs and services about farm transfers also are presented. The chapter concludes with suggestions for further research.

### **What is a Successful Family Farm Transfer?**

A principal objective of this study was to investigate what success means to the members of families who are involved in transferring their farms from one generation to the next. Respondents of both generations defined success in terms of three desired outcomes that members of both generations hope to achieve or maintain by the time that the transfer is complete. These outcomes consist of a skilled successor, a viable farm operation, and amicable family relationships.

Similar variables have been noted in previous research regarding the successful management of a farm business. However, unlike prevailing perspectives, the three outcomes identified here were not prerequisites for success in the transfer of a family farm. They did not lead to a successful transfer. For example, one cannot 'do' an amicable relationship or 'do' a viable business in order to achieve success.

Instead, skilled successors, viable operations, and amicable relationships were the objectives that family members aspired to maintain (if they were already in place throughout the course of the transfer) or achieve (if conditions prior to completing the transfer were less than what was desired). Together they represented a vision for success that each family member looked toward as the transfer progressed, and reflected success when the transfer was complete. As such, these three outcomes guided the particular decisions and behaviours that successors and retiring parents considered essential in transferring their farms successfully.

### **Skilled Farm Successor**

The definition of a successful farm transfer includes the need to have a competent farm manager in place once the older generation has retired. Although successors play key roles in both the business and family components, and presumably will replace the older generation male as the main authority figure in both domains eventually, their ability to perform effectively and to maintain a viable business was the most important consideration.

Respondents considered a number of characteristics and qualities essential to establishing a skilled successor. Successors must be informed and innovative decision-makers who are competent in the management and technical aspects of an ever-changing agricultural industry. This requires that they remain knowledgeable and up-to-date in both production practices and in the marketing of farm commodities. Successors also require sound financial management skills and, while exhibiting confidence and a competitive nature and must be averse to risks that could threaten the well-being of the farm operation and, subsequently, the farm family.

### **Viable Farm Operation**

Previous research emphasizes that the profitability of a farm operation is a prerequisite for a successful transfer. Wealth facilitated the transfer process for some of the families in this study, particularly in reducing the potential for tensions to occur. Conflicts were eliminated or avoided completely in families that were financially well off because the availability of money helped to ease a sense of vulnerability for some family members.

Although the viability of the business had an impact on each family's ability to achieve a successful transfer, it served primarily as a measure or indicator for success. Moreover, viable did not necessarily mean an above average financial status. Respondents in more marginal operations also reported that their transfers were completed successfully. Instead, a successful farm transfer meant that younger farmers were able to maintain or exceed the profit levels that existed prior to the exit of the retiring generation. The achievement of a viable business according to this criterion was facilitated through the effective use and management of debt, staying current with new technologies, and preservation of land resources. In addition, the fact that some of these farms had been passed down through a number of generations meant that an adequate land base was already in place and, hence, that any debt that was required could be kept at a minimum.

#### **Amicable Family Relationships**

In contrast to the majority of existing studies that focus exclusively upon the relationship between a retiring father and his successor son, the meanings of and critical factors for success depicted in the qualitative data here also involved other family members. A number of family dyads were particularly critical in defining a transfer as successful.

Consistent with the research literature, the older generation male was the most salient influence on the quality of these relationships. All of the families exhibited patriarchal patterns in which the elder male functioned as the central authority figure and senior farmer. Dad's relationships with each of the successor, daughters-in-law, sons-in-law,



and non-farming siblings were particularly important to achieving and maintaining harmony in relation to the transfer.

As senior players in both the family and farm business, retiring males played central roles in socializing and training their successors to become competent farm managers. The older male's role in creating and resolving conflict with daughters-in-law and sons-in-law, and his willingness to address the long-term needs of non-farming off-spring, also were central to a successful outcome.

Although senior males played dominant roles in the transfer, the suggestion from previous studies that their desires prevail over those of acquiescent family members who resent being controlled was not supported in this research. Instead, other family members saw the senior male as a well qualified team leader whose experience, knowledge, and opinions were to be valued rather than scorned. This was particularly true for successor sons. At the same time, retiring fathers recognized that a domineering approach was not conducive to the achievement of healthy family relations.

Although they may or may not be actively involved in the farm business themselves, older generation women, siblings, and in-laws both influence and are influenced by the transfer in some way because they are members of the farm family. For example, older generation women 'retired' with the older male and required an adequate income to ensure that they could live comfortably. Hence, older generation women had a stake in ensuring that relationships with the younger generation were healthy, and took active roles in socializing successors and providing advice to their husbands about matters related to the transfer, such as when to move off-farm. Siblings were influenced by inheritance matters

which, in turn, determined the manner in which the older generation distributed and transferred assets of the farm business. Difficulties integrating both daughters-in-law and sons-in-law were experienced by the families that took part in this study. Such difficulties were viewed by the older generation as threats to the viability of the farm and, as such, were the impetus for family members' working through concerns rather than permitting them to escalate. Clearly, the definition of amicable relationships was tied to the fulfillment of the needs and concerns of all family members.

### **What Leads to a Successful Family Farm Transfer?**

The second key research question that guided this study was concerned with how farm families go about achieving their desired outcomes for a successful transfer. Parents and successors were aware that all members of their families had roles to play in the transfer, and that certain behaviours were conducive to the development of a skilled successor, viable farm operation, and amicable family relationships, while others were not.

The data suggest that three sets of factors are most critical to a family's ability to achieve their desired outcomes for a successful transfer. "Giving Roots and Giving Wings" emphasizes approaches that aim to establish successors and siblings in their chosen careers and that facilitate the retirement of parents; "Getting Along" involves the effective management of tensions and conflict, and the promotion of productive interactions among family members on an ongoing basis; and "Handling Financial Issues" includes the monetary concerns, such as estate planning and the transfer of assets, that influence both the older generation's ability to retire and successors' potential to operate a business that is economically sound.

### **Giving Roots and Giving Wings**

Achieving the desired outcomes of a skilled successor, viable farm operation, and amicable family relationships required that all family members be provided with the resources, opportunities, and conditions that would assist them in making the transition to and from life in a family farm operation in as effective a way as possible. One explanation for how families achieved their objectives for a successful transfer may involve the very strong sense of culture, history, and a shared identity that existed among the members of these families. In particular, these qualities may be connected to the gradual development of skilled successors and harmonious family relationships that occurred over time.

As with any farm family, the families that took part in this study required a successor to take over the family farm business. However, despite the fact that young children were socialized to the values and skills that would facilitate their entry into agriculture, the retiring generation did not place a high value on continuity or keeping the occupation of farming in the family. Contrary to accepted belief, all parents advocated letting their children choose their own careers. As a result, each of the younger farmers in this study adopted their occupations out of a genuine desire to do so at a time when they were ready to assume the role of successor, rather than because they felt pressured or obligated.

The absence of a chosen successor early in life did not mean that younger farmers were without the skills required to become proficient in their chosen careers. The key to transferring the family farm successfully seems not to be ensuring that children are trained in specific aspects of agriculture from an early age. Rather, success for the families in this

study came through providing opportunities that would 'give roots and wings' to all children, including non-farming siblings. These opportunities, in turn, served to promote the development of skills and harmonious family relationships by helping younger family members to develop the self-esteem, leadership and problem-solving skills that are required for successful functioning in any occupation or situation they might encounter throughout their lives.

The preparation of successors for their farm management roles, and easing of parents into retirement were facilitated because retiring parents and their successors displayed a willingness to work through any difficulties when they arose so that they could share the responsibilities of their farm businesses with each other. The attitudes that respondents expressed toward sharing responsibility were indicative of a team approach in which they recognized and utilized the strengths that were unique to each individual, while at the same time addressing the sense of vulnerability that some family members displayed. For example, older generation farmers recognized the need to 'give roots and wings' to daughters-in-law who felt financially vulnerable in their new roles as successors. Parents' invitation for younger generation women to take an active role in managing the finances of the farm business permitted daughters-in-law to establish an area of specialization and, correspondingly, a sense of ownership and belonging in the farm operation.

Actions such as these served to support healthy relationships within the family by promoting a greater balance of power between parents and successors. In addition, parents' willingness to share responsibilities in this way promoted the development of valuable skills in the successor generation. This stands in sharp contrast to the crisis

literature which describes the breakdown of family relationships that result when the older generation attempts to dominate successors.

Training and sharing responsibility with successors are necessary, but by themselves are not sufficient to ensure the successful transfer of a family farm business. In successful transfers, the need to work effectively together as a team was balanced with the need for the younger generation to be identified and established as the new farm managers, and for parents to ease themselves into retirement. This required that parents recognize the vital part they must play in initiating changes in the power structures and hierarchies of the farm.

Parents were aware that the most effective way to establish the younger generation's autonomy was to trade places with their successors and gradually remove themselves from involvement in the day-to-day operations of the farm business. All family members understood the motives behind these actions, and this insight helped to manage the turmoil that many older generation farmers experience when faced with giving up a key part of their identities both in the business and in the family.

Perhaps the most striking result of this study is the discrepancy between the advice of family business professionals who insist on the importance of a formal written plan for ensuring a successful transfer, and the mixed attitudes and behaviours of the families who say their transfers were successful despite the absence of a formal written plan.

None of these families started formally planning for the transfer until the successor clearly verbalized an interest in taking over the farm, and some didn't even initiate a



formal plan then. However, a number of factors may have facilitated their ability to work toward the fulfillment of the objectives for their transfers without a plan.

First, all older generation farmers intended to retire and knew approximately when their retirement would take place. This knowledge laid the foundation for families to begin thinking about how the transfer might be carried out to meet their particular needs. As a result, when opportunities relevant to the transfer were presented, families were able to recognize them as useful possibilities and were able to take advantage of them even though they had not formally planned to do so. For example, the unplanned purchase of land when it unexpectedly became available served to 'give roots and wings' to successors by providing them with the opportunity to develop skills by having responsibility for their own 'piece' of the farm business while still under the experienced eye of their parents.

Second, the majority of family members in this study were well educated. Most had post-secondary training and took a keen interest in continuing their education in informal ways throughout their lives. This served to provide them with the knowledge and skills to make sound decisions, and the ability to identify and seek out information that they required, rather than muddle their way through any unfamiliar issues that were presented to them.

Finally, all but one family had the experience of a farm transfer from at least one previous generation. Many of the retiring farmers who took part in this study had been successors themselves at one time. This provided them with a wealth of knowledge about the issues that they would face in passing their farms to the next generation, and a rich



understanding of those strategies and approaches that would work best for their particular situations, as well as those that would not be viable options.

### **Getting Along**

The results of this study emphasize the quality of parent-successor and sibling relations throughout the course of the farm transfer. One of the more interesting findings from the data is that success in the context of a family farm transfer does not mean conflict free.

Most of the families in this study experienced rivalries and disputes among family members that parallel the crisis perspective typical of previous farm transfer studies. Conflicts experienced by respondents in this research were the consequence of family members' perceived inability to fulfill part of their desired outcomes for success. For example, difficulties that occurred in these families were related to the retiring male's and daughter-in-law's concerns about maintaining a viable farm business, and about the son-in-law's inability to develop and use the skills required to be an effective farm manager.

Despite the conflicts that plagued them, all of these families considered themselves to be successful in transferring their farms. The main difference between these families and the 'crisis' families described in the research literature may be explained by their perceptions of the role that disharmony played in their lives.

The respondents in this study all aspired to family relationships that are built on open communication that is facilitated by a desire to treat each other with honesty, love, appreciation, and respect. When disagreements occurred, these patterns of interaction

facilitated a family's ability to directly address and resolve them, rather than allow them to escalate over a lengthy period of time.

The behaviours and understandings of these families are consistent with social conflict theories that suggest struggles and competition are a basic and desirable quality of human relationships (Farrington & Chertok, 1993). While conflict can be destructive, it can also have positive consequences for the members of a social group. Indeed, long-established understandings of conflict propose that complete harmony is not conducive to the well-being of a family. Rather, conflict is a necessary feature of family life because it serves to define and solidify unity among family members (Simmel, 1904).

For the families in this study, conflict served to define and solidify their interactions as they worked through the transfer process. Conflict that arose as a result of transfer issues demanded that family members assess their needs and make changes to ensure that their objectives for protecting their relationships would be fulfilled.

#### **Handling Financial Issues**

The distribution of the economic assets of a family farm business is among the most frequently cited of issues that families struggle with in passing their farms from one generation to the next. Handling financial issues was also a matter of concern for families who transferred their farms successfully, and was a key influence in their desire to maintain a viable farm operation and amicable relationships among parents, successors, and non-farming siblings upon completion of their transfers. The handling of money in transferring family farms is intimately tied to the quality of family relationships.

The particular approach that families took in 'buying in and cashing out' to ensure that parents were able to retire comfortably, yet leave behind a viable business for the next generation, depended upon their particular financial position. Not surprisingly, the presence of wealth made it easier for successors to enter and parents to retire from the farm business because it eliminated concerns that the younger generation might incur unmanageable debt in order for the older generation to retire with adequate income, or that the farm would need to be divided among heirs to settle the issue of inheritance.

These families employed strategies for dealing with the issue of how to be fair to both successors and non-farming children that are consistent with those described in the research literature. However, they may differ from families which endure conflict in their transfers in that parents actively recruited the input of both successors and non-farming siblings in developing their strategies for estate-planning and inheritance. In addition, all families employed open communications at all times to keep all family members informed about how the older generation's estate will be handled. For the participants in this study, avoiding secrecy and a lack of information about financial issues was a key method for ensuring that no unnecessary threats to their family well-being occurred and, hence, that the transfer of the family farm would be considered a success.

#### **Implications for Practice**

The findings of this study have implications for farm management specialists and professionals who work with farm families. First, rather than continuing to focus exclusively on the business or on the family, we must recognize that both of these components are fundamental parts of a family farm business and, hence, a family farm

transfer. The ability to negotiate the farm transfer process effectively is enhanced when understandings of issues related to the business are integrated with understandings of the psychological and sociological issues of the family and its members (Rosenblatt, 1985; Russell et al., 1985; Whiteside, 1993).

Secondly, we must recognize the diversity that exists among different members within the same family, and between different families, and frame an agenda that addresses the perspectives and needs of these individuals before a crisis occurs. Programs need to assist farmers in determining what success means for each member of their families, and where these meanings may be congruent and divergent. When families have a clear picture of what it is they want to achieve, they can begin to determine what factors are most critical for fulfilling their objectives. It is also important that programs assist families in revisiting the outcomes that they desire on a regular basis and, correspondingly, to adjust and direct their transfer strategies in the most effective way as the conditions of their lives change.

As reflected in the results of this study, the issues of transfer cut across many areas for the members of a family farm business. Suggestions from previous farm transfer studies often are made on the supposition that such issues can be resolved readily if families just develop formal estate plans, learn how to communicate effectively, or adopt some other strategy that is assumed to be important to the achievement of a successful transfer (Errington & Tranter, 1991; Jonovic & Messick, 1991). Indeed, this knowledge is essential in planning for a farm transfer and should be made widely available. However, the challenge in creating effective programs and services for farm families is not in

identifying a one-size-fits-all list of factors that will guarantee all families success in dealing with the transfer issues that they encounter. In the words of one group of family business scholars, "there is no simple formula for success" in a family or business (Rosenblatt et al., 1985, p. 281).

Although there is no recipe that will guarantee success in passing on a family farm, a family's objectives for success can serve as the starting point for developing family and business plans that address their transfer issues. Critical success factors constitute the means by which a family can develop both business and family plans that work toward achieving the outcomes that they desire for their transfer. For example, a family in which the transfer is triggered by the successor's marriage may have very different objectives, and thus require different approaches, than a family in which the transfer is triggered by the unexpected death of a parent.

Farm management specialists and professionals charged with assisting farm families with their transfers must be cognizant of such differences. The key in assisting families as they negotiate their farm transfers is in helping them to sort through the experiences and suggestions of others who have worked through a transfer successfully, and selecting and building on those factors that are most relevant to the qualities and circumstances that are unique to each specific family.

### **Conclusions**

This study has demonstrated that the successful transfer of a family farm business is a complex process that involves the negotiation of a number of critical factors over time in order to achieve desired outcomes. For the people who must negotiate a farm transfer,



the potential for success is promoted when all family members accept that it is a lengthy and sometimes difficult transition. Successful farm transfers also involve more than the writing of wills and legal transfer of assets. They require a family genuinely committed to change and able to forge family and individual objectives for the future.

In order to achieve success in passing on their farms, retiring and successor generations must be able to look at their history, family, and business situations with open minds. When parents have the desire and faith to let go of the business, and successors possess the determination and will to commit themselves to learning new skills, the opportunity for success is enhanced. Finally, a successful farm transfer requires that family members commit themselves to work effectively through their conflicts and differences--for without a farm family, there is no family farm.

It is hoped that the perspectives and concepts presented here will provide the foundation for further exploration into the process of farm transfer. While this study identified the key factors and outcomes that are critical to passing on a family farm business successfully, it did not assess the interrelationships among these factors and outcomes. Future research should be directed to testing the significance of relationships between the factors that define success, and the factors that are considered critical for realizing that definition, with larger and more diverse populations of farm families. Which critical factors have the greatest potential for successfully achieving each of a skilled successor, a viable farm operation, and amicable family relationships? What is the relative balance that families in different situations, and members within the same family, place on each of the critical factors and outcomes for success? The answers to questions such as



these could serve to facilitate the identification of specific strategies related to the transfer, such as developing estate plans or encouraging the input of non-farming siblings about inheritance matters, that may be more appropriate for some contexts than for others.

### A Final Reflection

*Tossed in the breeze comfort is found in the struggle...  
...Listening to its melody countless eons drift by  
Time has lost meaning and all but the song is distant  
Now and then lyrics are sometimes heard  
Occasionally a few are understood*

**From *Fields of Gold* by Don Eliason**

One of the most important lessons that I have taken away in completing my graduate program, and in studying the experiences of the people who took part in this research, is that success seldom comes without its struggles. It is perhaps through perseverance and the eventual defeat of the adversities that one meets along the way that s/he can discover some of the most valuable lessons that life has to offer. If we take the time to revel in the melody that is life and welcome, rather than fear, all that it has to offer--its joys, its disappointments, and its challenges-- we will be richer for having encountered all of the experiences that give meaning to our existence both as unique individuals and as part of a collective whole.

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## APPENDIX A



Note. From 1991 Census of Agriculture for Alberta I.D., M.D., and County Data by Region (p. iv), by Statistics Branch, Alberta Agriculture, 1992, Edmonton, AB: Author. Reprinted with permission.

## APPENDIX B

MERGED FACULTIES OF AGRICULTURE/FORESTRY AND HOME ECONOMICS  
ETHICAL REVIEW REPORT (For Faculty Office Files)NAME OF RESEARCHER: Dr. N. Keating DATE: January 30, 1995TOPIC: Successful Farm SuccessionCOMMITTEE MEMBERS: Dr. M. Stiles (Chair) Dr. J. Butler  
Dr. W. Adamowicz Dr. D. Spady  
Dr. T. Basu  
Dr. E. LeBlanc

|     |                                                                                                                     | <u>Satisfactory</u>                   | <u>Unsatisfactory</u>                           |
|-----|---------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------------------|
| 1.  | Question of potential to harm                                                                                       | <u>✓</u>                              | <u>      </u>                                   |
| 2.  | Assurance of benefits of research<br>i.e. significantly increase understanding?<br>benefit human health or welfare? | <u>✓</u>                              | <u>      </u>                                   |
| 3.  | Selection criteria for individuals/community<br>involved                                                            | <u>✓</u>                              | <u>      </u>                                   |
| 4.  | How consent is obtained for the research<br>Copies of: consent form<br>information letter<br>other                  | <u>✓</u><br><u>✓</u><br><u>      </u> | <u>      </u><br><u>      </u><br><u>      </u> |
| 5.  | a) Is there any question of coercion?                                                                               | <u>No</u>                             | <u>      </u>                                   |
|     | b) Is there opportunity for the individual<br>to withdraw without prejudice?                                        | <u>Yes</u>                            | <u>      </u>                                   |
| 6.  | Steps taken to ensure anonymity                                                                                     | <u>✓</u>                              | <u>      </u>                                   |
| 7.  | Steps taken to ensure confidentiality                                                                               | <u>✓</u>                              | <u>      </u>                                   |
|     | How are participants identified?                                                                                    | <u>No. / Pseudonym</u>                | <u>      </u>                                   |
| 8.  | What debriefing is being given?                                                                                     | <u>✓</u>                              | <u>      </u>                                   |
| 9.  | What methods are being used?<br>- are there samples?                                                                | <u>✓</u>                              | <u>      </u>                                   |
| 10. | Is the research knowledgeable - is there need<br>for ensuring frequent consultation with the<br>advisor?            | <u>      </u>                         | <u>      </u>                                   |
| 11. | Is the training and competence of research<br>assistants adequate?                                                  | <u>      </u>                         | <u>      </u>                                   |

Signature of Chairperson: Michael E. Stiles30 January 1995



## APPENDIX C

### RESPONDENTS' INFORMATION FORM

**TITLE OF RESEARCH PROJECT:** Successful Farm Transfers

**RESEARCH TEAM:**

|                                                                    |          |
|--------------------------------------------------------------------|----------|
| Dr. Norah C. Keating, Project Advisor, University of Alberta       | 492-4191 |
| Nancy A. Stalker, Project Manager, University of Alberta           | 352-9708 |
| George Rock, Farm Management Specialist, Alberta Agriculture       | 986-8985 |
| Janice McGregor, Rural Development Specialist, Alberta Agriculture | 939-4351 |
| Jean Wilson, Family Business Specialist, Alberta Agriculture       | 427-2412 |
| Garry Bradshaw, Farm Business Management, Alberta Agriculture      | 556-4244 |
| Dr. Len Bauer, Rural Economist, University of Alberta              | 492-4178 |
| (Anonymous) Farm Manager                                           |          |

**PURPOSE OF RESEARCH:**

This study is being carried out to assist farm management professionals, family scholars, and farm families in understanding the issues that emerge as a farm business gradually passes from one generation to the next. We believe there is much we can learn in sharing your stories of the successes and challenges that you have encountered in your farm transfer, and the ways that the members of your family have worked through them.

**TIME COMMITMENT:**

You are requested to devote approximately one hour of your time for an initial interview with members of the research team. We may also request that you provide additional time, at your convenience, for subsequent interviews or information and feedback to verify the accuracy of our interpretations of your stories. In addition, you will be invited to review any written reports that result from this research. You will not be compensated either financially, or by any other means, for your participation in this project.

**PROCEDURES:**

This study will involve an initial interview in which you will be asked a number of background questions about your farm business and family (e.g., years operated, type of operation, who is involved in the business, members of your family, etc.). The focus of the interview, however, will be with a few general and open-ended questions. We are interested in learning about your thoughts, ideas, and feelings about the way that your farm has been, or will be, passed from the parents to the children in your family. We want to learn about what you think the issues are, what you think is important to your family's particular situation, and to your own personal situation in the farm transfer. The interview will be conducted as a casual conversation. The questions that we ask throughout the interview will develop out of our conversation with you, and what you choose to tell us.

To ensure the accuracy and completeness of the information that you share with us, all of our conversations will be tape recorded. Following each interview, the contents of the tapes will be typed so that the research team can discuss the information you have provided.

We will be speaking with members of other farm families as well, and comparing the similarities and differences in the information that participants reveal to us. Our goal in conducting the study is to identify the most common issues, or themes, that are raised in our conversations with the people we speak with about farm transfers.

We will prepare a final written report about our findings and interpretations. This report will be based on the stories that participants have shared with us. We may quote you in this report, but you will not be identified. You will receive a copy of the report when it is complete, and it will be available to any member of the public as well. An academic paper will also be written upon completion of this study.

### **YOUR RIGHTS AS A PARTICIPANT IN THIS STUDY:**

In agreeing to take part in this study, you are entitled to the protection of certain rights. Every member of the research team is obligated to ensure that these rights are respected at all times. Your rights are:

1. You may freely withdraw from this study at any time without any consequences.
2. You are not obligated to respond to any questions that you do not wish to answer.
3. If you provide information that you later do not wish to be included in this study, you may request that the information be removed from all transcripts and audio tapes.
4. Upon completion of this study, all audio tapes will be destroyed by the Project Manager. Audio tapes will be returned to you upon your request.
5. Typed transcripts from your interview will be kept by the Project Manager for a period of five years.
6. If you withdraw from this study prior to its completion, all audio tapes and typed transcripts will be destroyed by the Project Manager.
7. All information that you provide will be treated with the highest of confidentiality. While you are welcome to discuss your interview with the members of your family, or other individuals, under no circumstances will any member of the research team discuss the specific contents of your interviews with any person who is not a member of the research team indicated at the top of this information form.
8. If you were referred to this study by (Farm Manager), (Farm Manager) will have no access to any information that you provide.
9. To protect your identity, your name will be changed on all written transcripts prior to their distribution to other members of the research team. Only the individuals who interview you, and an individual who will transcribe the audio tapes, will know your real name.
10. To ensure that your rights to confidentiality and anonymity have been protected to your satisfaction, you will be invited to review all written reports that result from this study prior to their distribution outside of the research team.
11. Should any member of the research team learn of any information or situation that could influence your decision to participate in this study, you will be informed promptly.

### **POTENTIAL RISKS OF PARTICIPATING IN THIS STUDY:**

Sharing personal information about our lives is not always easy, particularly if it involves difficult or painful memories. In conducting this study, it is not our intention to bring harm to you or your relationships with the members of your family. While we hope that you will be as open and honest in your answers as possible, should you believe that doing so will jeopardize your relationships, or create difficulties in your family, please discuss only what is comfortable for you.

### **ADDITIONAL INFORMATION:**

If at any time you have concerns or questions about this study, please feel free to contact the Project Manager, Nancy Stalker, at 352-9708.

**APPENDIX D****CONSENT TO PARTICIPATE IN A RESEARCH PROJECT  
TITLED: "SUCCESSFUL FARM TRANSFERS"**

I acknowledge that the research study described in the attachments to this consent form, and my rights as a participant in this study, have been explained to me, and that any questions that I have asked have been answered to my satisfaction. I have been provided with a copy of this consent form and all attachments. In addition, I understand that I may contact the person designated on this form if I have further questions or concerns, either now or in the future. I have been assured that personal records relating to this study will be kept confidential and that my identity will be protected. I understand that I am free to withdraw from the study at any time without jeopardy to myself. I understand that if any knowledge gained from this study is forthcoming that could influence my decision to continue in this study, I will be promptly informed.

Person whom I may contact  
about this research is:

Nancy Stalker,  
Project Manager  
Telephone: (403) 352-9708

\_\_\_\_\_  
Participant's Name

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Interviewer

\_\_\_\_\_  
Date